STATE OF CONNECTICUT

COMPREHENSIVE
ANNUAL
FINANCIAL REPORT

For Fiscal Year Ended
June 30, 2010

Prepared by the Office of the
State Comptroller

NANCY WYMAN
STATE COMPTROLLER

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Office of the State Comptroller

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

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

In addition, the Comptroller approves and records all obligations against the State. She maintains all official accounting records and is responsible for the employee payrolls for all State agencies, departments, and institutions. Her office administers all Retirement Systems other than Teachers’ retirement. Additionally, the Comptroller administers numerous miscellaneous appropriations of the State.
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Introductory Section
January 28, 2011

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

It is a privilege to present the State of Connecticut Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. This report was prepared in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board.

Even though much of this report must be written in a rather formal and technical manner, we hope we have designed it to help readers, without a specialized financial background, gain a reasonable understanding of the State’s financial activities.

The State’s largest governmental fund is the General Fund. This is the fund most often referred to in media reports about the Connecticut’s fiscal health. Over three-quarters of all governmental financial transactions relating to the cost of providing State services and the collection of revenues to pay for those services occur within the General Fund.

A national recession that officially commenced in December 2007 produced a pattern of job losses in Connecticut beginning in March 2008. These job losses persisted until the start of calendar year 2010 and claimed 103,400 payroll positions. During calendar year 2010, Connecticut regained a modest 5,300 jobs. The stagnant employment conditions resulted in lackluster growth in tax revenues despite a number of tax increases totaling over $800 million in Fiscal Year 2010. General Fund tax revenues grew by just 1.7 percent in Fiscal Year 2010 on the budgetary basis of accounting. This was well below the historical growth rate of over 5 percent annually. General Fund spending in Fiscal Year 2010 remained relatively flat in comparison to the prior year.

On the budgetary or modified cash basis of accounting, in Fiscal Year 2010 operating outlays exceeded annual operating revenues by $843.1 million. The operating shortfall in the General Fund was more than offset by net transfers of $1,323.6 million. Budget Reserve Fund transfers represented $1,278.5 million of the total Fiscal Year 2010 transfer activity. After adjusting for transfers and other miscellaneous activity, the General Fund ended Fiscal Year 2010 with a surplus of $449.9 million. The surplus was reserved for Fiscal Year 2011.
On a GAAP or modified accrual accounting basis, the Fiscal Year 2010 General Fund budgetary surplus of $449.9 million became an operating deficit of $172.8 million. The adjustment from surplus to deficit is explained in large part by the fact that on the GAAP accounting basis revenue accruals were reduced by $155.7 million and additional payables and other liabilities were increased by $168.7 million. CAFR- Note 2, Budgetary vs. GAAP Basis of Accounting details the major adjustments in the conversion of the budgetary basis of accounting to GAAP’s modified accrual basis.

In recent years when the State realized a revenue windfall, over half of that amount was reserved for future year spending and the remainder was deposited to the Rainy Day Fund. Between Fiscal Years 2004 and 2008, revenues exceeded budget expectations by approximately $3 billion. During this period, $1.4 billion was deposited to the Rainy Day Fund (8 percent of net General Fund appropriations).

To the extent that windfall revenue was used for debt reduction, debt avoidance or one-time items it did not create structural budget imbalances; however, a large share of the windfall in revenue realized in recent years was used to support ongoing operating expenditures in the General Fund. This windfall spending exacerbated recessionary challenges that the State faced and destabilized the budget.

Fiscal Initiatives

In order to partially address a $1.6 billion decline in General Fund tax revenues between Fiscal Years 2008 and 2010, a series of tax increases were passed into law effective for receipts of Fiscal Year 2010 and beyond. These tax changes included an increase in the personal income tax rate from 5.0 percent to 6.5 percent on taxable income over $1 million for Joint Filers, $800,000 for Head of Household, and $500,000 for Singles and Married Filing Separately. This was expected to result in a revenue gain of $594 million in Fiscal Year 2010 and approximately $400 million in Fiscal Year 2011. A corporation tax surcharge of 10 percent was levied in Fiscal Years 2009 thru 2011 for businesses with over $100 million in adjusted federal gross income. This was expected to raise $74.1 million in Fiscal Year 2010, $41.1 million in Fiscal Year 2011 and $22.1 million in Fiscal Year 2012. The cigarette tax was increased from $2.00 to $3.00 per pack, effective October 1, 2009. This was expected to produce a revenue gain of $99.3 million in FY 10 and $117.6 million in FY 11.

In addition to tax increases, transfers of $1,323.6 million-- which contained largely non-recurring items -- were made to the General Fund in Fiscal Year 2010. Budget Reserve Fund transfers represented $1,278.5 million of the total Fiscal Year 2010 transfer activity. The policy decision to utilize the Budget Reserve Fund in this way left the Fund with a small balance of $103.3 million. This balance was committed to the General Fund in Fiscal Year 2011. Cash balances in non-General Fund categories are being closely monitored on a monthly basis for possible transfer to the General Fund.
Public Act 10-175 authorized programs and policies designed to establish or expand business and create Connecticut jobs. The act authorized bonds for the development of new business concepts. It also authorized tax credits for certain technology-based emerging businesses and for businesses hiring employees with disabilities. It provided loan reimbursement grants to Connecticut students taking jobs related to alternative energy technology and related fields. The act also established a task force to examine ways of increasing state government’s efficiency.

In a step toward making the State’s budgetary, modified cash basis of accounting more consistent with Generally Accepted Accounting Principles, an appropriation account will be established in Fiscal Year 2012 to prefund an additional day of State employee payroll accrual. This appropriation was established through Public Act 10-173. The additional accrual results in an extra bi-weekly payroll check once every ten years.

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 CAFR, 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 GAAP - the basis of accounting that is generally accepted throughout the United States. The State is also required to undergo an annual “single audit” for reporting to the Federal government. To meet all of these requirements, the State Auditors of Public Accounts have examined our financial statements and the appropriate supporting documentation.

With the exception of the State’s failure to update its OPEB liability and ARC in accordance with the requirements of GASB Statement 45, the State auditors gave the CAFR for the State of Connecticut a “clean” opinion indicating they can state, without reservation, that the financial statements are fairly presented in all material respects in conformity with GAAP.

Profile of the Government and its Safeguards

Connecticut became the fifth state of the United States on January 9, 1788. Its borders encompass 5,009 square miles. Within its compact borders, 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 3,518,288 in 2009 according to U.S. Census estimates. Five large cities, Bridgeport, New Haven, Hartford (the State Capitol since 1875), Stamford and Waterbury, have populations in excess of 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.

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

The Reporting Entity

The State of Connecticut financial reporting entity includes all of 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. Discretely presented component units are reported separately in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. Other component units, although legally separate entities, have their financial position and operations blended with the primary government for technical reasons as explained more fully in the additional information on the reporting entity which is included in CAFR -Note 1, Summary of Significant Accounting Policies.

Internal Controls

Our State’s internal control structure has been established to ensure that the assets of the government are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in accordance with GAAP and State legal requirements. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

The State Legislature prepares a two-year budget that contains estimates of revenues and expenditures for the ensuing two fiscal years. This 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 as 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.

Annual budgeted appropriations are capped at a percentage increase that is based on either the five-year average annual growth in the state’s personal income or annual inflation, whichever is higher. Debt service payments, certain statutory grants to distressed municipalities, and appropriations required by federal mandate or court order are excluded from the limits of the cap.

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 in excess of the cap. This has occurred in almost every year that the State has posted a budget surplus in the General Fund to enable the appropriation of surplus dollars that would have otherwise gone to reduce state debt and fill the rainy day fund.

Economic Condition and Outlook

As detailed in the text above, Connecticut is slowly emerging from a severe national recession. Modest but sporadic job gains are beginning to appear. The State added 5,300 payroll jobs in calendar year 2010. The strongest job gains occurred in the professional and business service sector with solid 4.2 percent year to year growth. This sector includes highly skilled occupations such as engineering, research and development positions, architectural services and information technology. The leisure and hospitality sector also posted gains of 2 percent. The most significant job losses were in the construction sector where payroll jobs declined by 6.6 percent during 2010. Connecticut’s unemployment rate hovered at an unacceptably high level of 9 percent for most of the year.

Connecticut is a wealthy state, with large regional income disparities. Connecticut continues to lead the nation with per capita income of $55,063, which is almost 40 percent above the national level. Twenty percent of Connecticut’s personal income is derived from dividends, interest and rent, which is two percent above the national average. Over the past ten years the percent of personal income derived from earnings has declined while the share of derived from dividends,
interest and rent has increased. In the past decade, State personal income has grown at an average annual rate of 4 percent, which is below the national growth rate of 4.4 percent. Eliminating recessionary periods, State personal income decline growth averaged over 6 percent annually.

Connecticut's housing market is expected to improve in 2011 after several difficult years. Connecticut housing prices were among the top five states for appreciation, rising 2.5 percent through the third quarter of 2010. However Connecticut single family median home prices are still well off of their 2007 peak price of $326,800 falling to $260,300 in the latest quarter of 2010.

Connecticut's economy is expected to experience modest economic growth in calendar year 2011. Connecticut's real state gross domestic product (SGDP), the broadest measure of the state's economic health, declined 3.1% in 2009 and is expected to show small positive growth for 2010 when figures are finalized. Projections for Fiscal Year 2011 show SGDP growth of over 3 percent.

Like other states, Connecticut is projecting significant declines in state revenues over the next year due to the lingering impact of the recession and its heavy reliance on one-time revenue sources to balance the state budget. The budget imbalance is estimated to exceed $3.5 billion for Fiscal Year 2012. A significant realignment of state spending and revenue will be required to avert this budget shortfall.

Acknowledgements

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

Sincerely,

Kevin Lembo
Connecticut State Comptroller
Organization Chart

EXECUTIVE BRANCH
- Governor
- Lieutenant Governor
- Secretary of State
- Treasurer
- Comptroller
- Attorney General

JUDICIAL BRANCH
- Supreme Court
- Appellate Court
- Superior Court

LEGISLATIVE BRANCH
- Senate
- House of Representatives
- Auditors of Public Accounts
- Legislative Management

General Government Agencies
Regulatory Agencies
Health Agencies
Judicial Agencies
Correctional Agencies

Legislative Agencies
Natural Resource and Recreation Agencies
Transportation Agency
Educational Agencies
Human Resource Agencies
Selected State Officials
(as of June 30, 2010)

EXECUTIVE

M. Jodi Rell
Governor

Michael Fedele
Lieutenant Governor

Susan Bysiewicz
Secretary of State

Denise L. Nappier
Treasurer

Nancy Wyman
Comptroller

Richard Blumenthal
Attorney General

JUDICIAL

Chase T. Rogers
Chief Justice

LEGISLATIVE

Donald E. Williams Jr.
President Pro Tempore of the State Senate
(36 Senators)

Christopher G. Donovan
Speaker of the House of Representatives
(151 Representatives)
Financial Section
INDEPENDENT AUDITORS’ REPORT

Governor Dannel P. Malloy
Members of the General Assembly

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 year ended June 30, 2010, which collectively comprise the State’s basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of Connecticut’s management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit:

Government-wide Financial Statements

- the financial statements of the Special Transportation Fund account within the Transportation Fund, the Transportation Special Tax Obligations account within the Debt Service Fund, and the Clean Energy Fund account within the Environmental Programs Fund, which in the aggregate, represent six percent of the assets and six percent of the revenues of the Governmental Activities;
- the financial statements of the John Dempsey Hospital account within the University of Connecticut and Health Center, the Connecticut State University, Connecticut Community-Technical Colleges, Bradley International Airport, Bradley International Airport Parking Facility, Connecticut Lottery Corporation, and the Federal accounts for the Clean Water Fund and Drinking Water Fund, which in the aggregate, represent 64 percent of the assets and 39 percent of the revenues of the Business Type Activities;
- the financial statements of the discretely presented component units;

Fund Financial Statements

- the financial statements of the Special Transportation Fund account, which represents 94 percent of the assets and 97 percent of the revenues of the Transportation Fund;
- the financial statements of the Transportation Special Tax Obligations account, which represents 100 percent of the assets and 100 percent of the revenues of the Debt Service Fund;
- the financial statements of the Clean Energy Fund account, which represents 57 percent of the assets and 75 percent of the revenues of the Environmental Programs Fund;
- the financial statements of the John Dempsey Hospital account within the University of Connecticut and Health Center, the Connecticut State University, the Connecticut
Community-Technical Colleges, Bradley International Airport, Bradley International Airport Parking Facility, the Connecticut Lottery Corporation, and the Federal accounts for the Clean Water Fund and Drinking Water Fund, which in the aggregate, represent 64 percent of the assets and 39 percent of the revenues of the Enterprise Funds;

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aforementioned funds and accounts, is based on the reports of the other auditors. All of the aforementioned audits were conducted in accordance with auditing standards generally accepted in the United States of America. In addition, the audits of the Special Transportation Fund, Transportation Special Tax Obligations Fund, Drinking Water Fund, Clean Water Fund, Bradley International Airport, Bradley International Airport Parking Facility, Connecticut Development Authority, Capital City Economic Development Authority, Connecticut Lottery Corporation, Connecticut Resources Recovery Authority, Connecticut Health and Educational Facilities Authority, Connecticut Higher Education Supplemental Loan Authority, Connecticut Housing Finance Authority, and Connecticut Innovations Incorporated were conducted in accordance with standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audits of the John Dempsey Hospital, Connecticut State University, Connecticut Community-Technical Colleges and the University of Connecticut Foundation were not conducted in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

The State of Connecticut adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB). This standard modifies the method that governments have reported the cost of providing such benefits, primarily retiree health care. It requires the systematic, accrual-basis measurement and recognition of OPEB cost (expense) over a period that approximates employees' years of service and the disclosure of information about the actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. Our audit disclosed that the required actuarial valuation was not performed within the two year window permitted by GASB and the State of Connecticut did not present information pertaining to the Funded Status and Funding Progress, and Actuarial Methods and Assumptions for the State Employee OPEB Plan in Note 14 of the financial statements in compliance with GASB requirements.

In our opinion, except for the matter described in the preceding paragraph, 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, for the State of Connecticut, as of June 30, 2010, and the respective budgetary comparison for the General Fund and the Transportation Fund, and the respective changes
in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 28, 2011, 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 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 internal control over financial reporting or on compliance. That report will be issued under separate cover in the State's Single Audit Report and is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 15 through 25, and the schedules of funding progress for pension and other post-employment benefit plans and the schedules of employer contributions for pension and other post-employment benefit plans on pages 92 and 93, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We did not audit this information and do not express an opinion on it. However, we have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. As a result of such limited procedures, we found that the State of Connecticut has not presented data in the Schedule of Funding Progress and Schedule of Employer Contributions for the State Employee OPEB plan that accounting principles generally accepted in the United States of America have determined is necessary to supplement, although not required to be part of, the basic financial statements.

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 introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

John C. Geragosian
Auditor of Public Accounts

Robert M. Ward
Auditor of Public Accounts

January 28, 2011
State Capitol
Hartford, Connecticut
MANAGEMENT’S DISCUSSION AND ANALYSIS (MDA)

The following discussion and analysis is intended to provide readers of the State’s financial statements with a narrative overview and analysis of the financial activities of the State for the fiscal year ended June 30, 2010. The information provided here should be read in conjunction with additional information provided in the letter of transmittal and in the basic financial statements.

FINANCIAL HIGHLIGHTS

Government-wide:
As of June 30, 2010, the State had a combined net asset deficit of $9.4 billion, an increase of $3.4 billion when compared to the prior year ending deficit balance. This increase resulted mainly from an increase of $3.2 billion in the net asset deficit of governmental activities.

Fund Level:
The governmental funds had a total fund balance of $1.4 billion at year end. Of this amount, $2.4 billion was reserved for various purposes, resulting in a total unreserved fund balance deficit of $1.0 billion. The portion of the total unreserved fund balance deficit that pertains to the General Fund was a $1.7 billion deficit. The General Fund had an actual budget surplus of $0.4 billion this year.

The Enterprise funds had total net assets of $4.3 billion, substantially all of which was invested in capital assets or restricted for various purposes.

Long-Term Debt:
Total long-term debt was $26.1 billion for governmental activities, of which $18.3 billion was bonded debt.

Total long-term debt was $2.6 billion for business-type activities, of which $1.5 billion was bonded debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the State’s basic financial statements. The State’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide 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.

The statement of net assets presents information on all of the State’s non-fiduciary assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the State is improving or deteriorating.

The statement of activities presents information showing how the State’s net assets changed during the most recent fiscal year. All changes in net assets 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).

The government-wide financial statements are intended to distinguish functions of the State that are principally supported by taxes and intergovernmental revenues (governmental activities) from other...
functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the State include legislative, general government, regulation and protection, conservation and development, health and hospitals, transportation, human services, education, libraries, and museums, corrections, and judicial. The business-type activities of the State include the University of Connecticut and Health Center, State Universities, Bradley International Airport, Connecticut Lottery Corporation, Employment Security, and Clean Water, which are considered to be major funds, while the remaining business-type activities are combined into a single aggregate presentation.

The government-wide financial statements include not only the State itself (known as the primary government), but also the activities of eight legally separate Component Units for which the State is financially accountable: the Connecticut Housing Finance Authority, the Connecticut Health and Educational Facilities Authority, the Connecticut Development Authority, the Connecticut Higher Education Supplemental Loan Authority, the Connecticut Resources Recovery Authority, the Connecticut Innovations, Incorporated, the Capital City Economic Development Authority, and the University of Connecticut Foundation, Incorporated. Financial information for these Component Units is reported separately from the financial information presented for the primary government itself. Financial information of the individual component units can be found in the basic financial statements following the fund statements, and complete financial statements of the individual component units can be obtained from their respective administrative offices.

**Fund Financial Statements**

A fund is a grouping 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**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the State’s near-term financing requirements.

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.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Debt Service Fund, the Transportation Fund, and the Restricted Grants and Accounts Fund, all of which are considered to be major funds. Data from other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.
The State adopts a biennial budget for the General Fund, the Transportation Fund, and other Special Revenue funds. A budgetary comparison statement has been provided for the General Fund and the Transportation Fund to demonstrate compliance with the current fiscal year budgets.

**Proprietary Funds**

Proprietary funds (Enterprise funds and Internal Service funds) are used to show activities that operate more like those of commercial enterprises. Enterprise funds charge fees for services provided to outside customers. They are used to report the same functions presented as business-type activities in 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.

**Fiduciary Funds**

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

**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.

**Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The required supplementary information includes information regarding the State’s progress on funding its obligation to provide pension and other postemployment benefits to its employees.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains the following information.

- Combining Fund Statements and Schedules – Nonmajor funds
- Statistical Section
FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

NET ASSETS

As noted earlier, net assets may serve over time as a useful indicator of the State’s financial position. During the current fiscal year, the combined net asset deficit of the State increased 58 percent to $9.4 billion. In comparison, last year the combined net asset deficit increased 121 percent.

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

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total Primary Government</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009*</td>
<td>2010</td>
</tr>
<tr>
<td>ASSETS:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current and Other Assets</td>
<td>$4,568</td>
<td>$4,274</td>
<td>$4,051</td>
</tr>
<tr>
<td>Capital Assets</td>
<td>10,570</td>
<td>10,194</td>
<td>3,382</td>
</tr>
<tr>
<td>Total Assets</td>
<td>15,138</td>
<td>14,468</td>
<td>7,433</td>
</tr>
<tr>
<td>LIABILITIES:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>4,417</td>
<td>3,346</td>
<td>792</td>
</tr>
<tr>
<td>Long-term Liabilities</td>
<td>24,394</td>
<td>21,572</td>
<td>2,356</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>28,811</td>
<td>24,918</td>
<td>3,148</td>
</tr>
<tr>
<td>NET ASSETS:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in Capital Assets,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net of Related Debt</td>
<td>4,910</td>
<td>4,619</td>
<td>2,671</td>
</tr>
<tr>
<td>Restricted</td>
<td>1,778</td>
<td>1,618</td>
<td>1,264</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(20,361)</td>
<td>(16,687)</td>
<td>350</td>
</tr>
<tr>
<td>Total Net Assets (Deficit)</td>
<td>$(13,673)</td>
<td>$(10,450)</td>
<td>$4,285</td>
</tr>
</tbody>
</table>

* Restated for comparative purposes. See Note 23.

The net asset deficit of the State’s governmental activities increased $3.2 billion (30.8 percent) to $13.7 billion during the current fiscal year. Of this amount, $6.7 billion was invested in capital assets (buildings, roads, bridges, etc.) or was restricted for various purposes, resulting in an unrestricted net asset deficit of $20.4 billion. This deficit is the result of having long-term obligations that are greater than currently available resources. Specifically, the State has recorded the following outstanding long-term obligations which contributed to the deficit: a) general obligation bonds in the amount of $7.5 billion which were issued to finance various municipal grant programs (e.g., school construction) and a contribution to a pension trust fund, and b) other long-term obligations in the amount of $7.8 billion (e.g., net pension obligation and compensated absences).

Net assets of the State’s business-type activities decreased $0.2 billion (4.9 percent) to $4.3 billion during the current fiscal year. Of this amount, $3.9 billion was invested in capital assets or was restricted for various purposes, resulting in unrestricted net assets of $0.4 billion. These resources cannot be used to make up for the net asset deficit of the State’s governmental activities. The State can only use these net assets to finance the ongoing operations of its Enterprise funds (such as the University of Connecticut and Health Center, Bradley International Airport, and others).
# Connecticut

## Change in Net Assets

Changes in net assets for the years ended June 30, 2010 and 2009 were as follows:

### State of Connecticut's Changes in Net Assets

(Expressed in Millions)

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
<th>%change 10-09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009*</td>
<td>2010</td>
<td>2009</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Services</td>
<td>1,522</td>
<td>1,490</td>
<td>3,223</td>
<td>3,108</td>
</tr>
<tr>
<td>Operating Grants and Contributions</td>
<td>6,113</td>
<td>5,553</td>
<td>1,885</td>
<td>907</td>
</tr>
<tr>
<td>Capital Grants and Contributions</td>
<td>766</td>
<td>646</td>
<td>18</td>
<td>64</td>
</tr>
<tr>
<td><strong>General Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>11,550</td>
<td>11,491</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Casino Gaming Payments</td>
<td>384</td>
<td>378</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>156</td>
<td>197</td>
<td>40</td>
<td>76</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>20,491</td>
<td>19,755</td>
<td>5,166</td>
<td>4,155</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legislative</td>
<td>106</td>
<td>106</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General Government</td>
<td>1,566</td>
<td>1,816</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Regulation and Protection</td>
<td>796</td>
<td>801</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Conservation and Development</td>
<td>566</td>
<td>585</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Health and Hospitals</td>
<td>2,443</td>
<td>2,376</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transportation</td>
<td>1,741</td>
<td>1,640</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Human Services</td>
<td>6,830</td>
<td>6,483</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Education, Libraries and Museums</strong></td>
<td>4,921</td>
<td>4,790</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corrections</td>
<td>2,083</td>
<td>2,156</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Judicial</td>
<td>828</td>
<td>827</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest and Fiscal Charges</td>
<td>793</td>
<td>810</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>University of Connecticut &amp; Health Center</td>
<td>-</td>
<td>-</td>
<td>1,703</td>
<td>1,725</td>
</tr>
<tr>
<td>State Universities</td>
<td>-</td>
<td>-</td>
<td>650</td>
<td>639</td>
</tr>
<tr>
<td>Bradley International Airport</td>
<td>-</td>
<td>-</td>
<td>69</td>
<td>68</td>
</tr>
<tr>
<td>CT Lottery Corporation</td>
<td>-</td>
<td>-</td>
<td>723</td>
<td>723</td>
</tr>
<tr>
<td>Employment Security</td>
<td>-</td>
<td>-</td>
<td>2,701</td>
<td>1,574</td>
</tr>
<tr>
<td>Clean Water</td>
<td>-</td>
<td>-</td>
<td>53</td>
<td>53</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>527</td>
<td>512</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>22,673</td>
<td>22,390</td>
<td>6,426</td>
<td>5,272</td>
</tr>
<tr>
<td><strong>Excess (Deficiency)</strong></td>
<td>(2,182)</td>
<td>(2,635)</td>
<td>(1,260)</td>
<td>(1,117)</td>
</tr>
<tr>
<td>Before Transfers and Special Items</td>
<td>21</td>
<td>13</td>
<td>(21)</td>
<td>85</td>
</tr>
<tr>
<td><strong>Special Items</strong></td>
<td>21</td>
<td>13</td>
<td>(21)</td>
<td>85</td>
</tr>
<tr>
<td>Transfers</td>
<td>(1,062)</td>
<td>(873)</td>
<td>1,062</td>
<td>873</td>
</tr>
<tr>
<td><strong>Increase (Decrease) in Net Assets</strong></td>
<td>(3,223)</td>
<td>(3,495)</td>
<td>(219)</td>
<td>(159)</td>
</tr>
<tr>
<td>Net Assets (Deficit) - Beginning (as restated)</td>
<td>(10,450)</td>
<td>(6,955)</td>
<td>4,504</td>
<td>4,663</td>
</tr>
<tr>
<td><strong>Net Assets (Deficit) - Ending</strong></td>
<td>$ (13,673)</td>
<td>$ (10,450)</td>
<td>$ 4,285</td>
<td>$ 4,504</td>
</tr>
</tbody>
</table>

Restated for comparative purposes. See note 23.

Special Items are significant transactions or other activity within management's control that are either unusual in nature or infrequent in occurrence.
GOVERNMENTAL ACTIVITIES
The following charts provide a two year comparison of governmental activities revenues and expenses.

During the year, total revenues of governmental activities increased 3.7 percent to $20.5 billion, while total expenses increased 1.3 percent to $22.7 billion. In comparison, last year total revenues and expenses increased 0.1 percent and 2.4 percent, respectively. The increase in total revenues was due mainly to an increase in operating grants and contributions of $0.6 billion or 10.1 percent. Although, total expenses exceeded total revenues by $2.2 billion, this excess was increased by transfers and special items of $1.0 billion, resulting in a decrease in net assets of $3.2 billion.
BUSINESS-TYPE ACTIVITIES
The following charts provide a two year comparison of business-type activities revenues and expenses.

During the year, total revenues of business-type increased 24.3 percent to $5.2 billion, while total expenses increased 21.9 percent to $6.4 billion. In comparison, last year total revenues and expenses increased 19.5 percent and 26.4 percent, respectively. The increase in total revenues was due mainly to an increase in operating grants and contributions of $1.0 billion or 107.8 percent. The increase in total expenses was due mainly to an increase in Employment Security expenses of $1.1 billion or 71.6 percent. Although, total expenses exceeded total revenues by $1.2 billion, this excess was reduced by transfers of $1.0 billion, resulting in a decrease in net assets of $0.2 billion.
FINANCIAL ANALYSIS OF THE STATE’S FUNDS

Governmental Funds

The focus of the State’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the State’s financing requirements. In particular, unreserved fund balance serves as a useful measure of the State’s net resources available for spending at the end of the fiscal year.

As of June 30, 2010, the State’s governmental funds had fund balances of $1.4 billion, remaining unchanged when compared to the prior year ending fund balances. Of the total governmental fund balances, $2.4 billion represents reserved fund balance, meaning that this portion is not available for the new spending because it has already been committed for specific purposes. The remainder of fund balance is an unreserved deficit fund balance of $1.0 billion.

General Fund

The General Fund is the chief operating fund of the State. As of June 30, 2010, the General Fund had a fund balance deficit of $1.0 billion. Of this amount, $0.7 billion was reserved for various purposes, leaving a deficit of $1.7 billion in unreserved fund balance. Fund balance decreased by $0.2 billion during the current fiscal year.

Debt Service Fund

As of June 30, 2010, the Debt Service Fund had a fund balance of $688 million, all of which was reserved. Fund balance increased by $8 million during the current fiscal year.

Transportation Fund

As of June 30, 2010, the Transportation Fund had a fund balance of $164 million. Of this amount, $70 million was reserved for various purposes, leaving $94 million in unreserved fund balance. Fund balance increased by $9 million during the current fiscal year.

Restricted Grants and Accounts Fund

As of June 30, 2010, the Restricted Grants and Accounts Fund had a fund balance of $621 million, all of which was reserved. Fund balance increased by $43 million during the fiscal year.

Proprietary Funds

The State’s Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Accordingly, a discussion of the financial activities of the Proprietary funds has been provided in that section.

Fiduciary Funds

The State maintains Fiduciary funds for the assets of Pension and Other Employee Benefit Trust funds, an Investment Trust fund, and a Private-Purpose Trust fund. As of June 30, 2010, the net assets of the State’s Fiduciary funds totaled $22.8 billion, an increase of $1.2 billion when compared to the prior year ending net asset balance.
Budgetary Highlights-General Fund

The General Fund had an estimated budget surplus of $2 million at the start of the fiscal year. Although the State’s economy started to improve slowly during the fiscal year, the estimated budget surplus turned into a budget deficit of $515 million by the second quarter of the fiscal year. However, due to deficit reduction measures adopted by the State legislature, the Fund ended with an estimated budget surplus of $397 million by the end of the fiscal year.

Although actual fund revenues exceeded expenditures by $481 million, this excess was reduced by other financing uses of $31 million, resulting in an actual budget surplus of $450 million for the fiscal year.

Actual revenues were higher than originally budgeted by $316 million for the fiscal year. This positive revenue variance resulted mainly from a positive transfer revenue variance of $283 million.

Final budgeted appropriations were almost the same as originally budgeted for the fiscal year.

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, 2010 totaled $14.0 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, infrastructure, and construction in progress. The net increase in the State’s investment in capital assets for the fiscal year was $0.4 billion, due mainly to a 3.7 percent increase in governmental activities’ capital assets.

Major capital asset events during the fiscal year included the following:

- Additions to buildings and infrastructure of $0.6 billion
- Depreciation expense of $0.9 billion

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

<table>
<thead>
<tr>
<th>State of Connecticut's Capital Assets</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total Primary Government</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009*</td>
<td>2010</td>
</tr>
<tr>
<td>Land</td>
<td>$ 1,562</td>
<td>$ 1,394</td>
<td>$ 60</td>
</tr>
<tr>
<td>Buildings</td>
<td>1,453</td>
<td>1,209</td>
<td>2,530</td>
</tr>
<tr>
<td>Improvements Other than Buildings</td>
<td>201</td>
<td>222</td>
<td>254</td>
</tr>
<tr>
<td>Equipment</td>
<td>44</td>
<td>209</td>
<td>344</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>5,591</td>
<td>5,809</td>
<td></td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>1,719</td>
<td>1,353</td>
<td>194</td>
</tr>
<tr>
<td>Total</td>
<td>$ 10,570</td>
<td>$ 10,194</td>
<td>$ 3,382</td>
</tr>
</tbody>
</table>

* Restated for comparative purposes. See Note 23.

Additional information on the State’s capital assets can be found in Note 10 of this report.
Long-Term Debt
Bonded Debt

At the end of the current fiscal year, the State had total bonded debt of $18.3 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:

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

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total Primary Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Obligation Bonds</td>
<td>$13,593</td>
<td>$13,444</td>
<td>$-</td>
</tr>
<tr>
<td>Transportation Related Bonds</td>
<td>3,030</td>
<td>2,817</td>
<td>$-</td>
</tr>
<tr>
<td>Revenue Bonds</td>
<td>$-</td>
<td>$-</td>
<td>1,498</td>
</tr>
<tr>
<td>Long-Term Notes</td>
<td>1,144</td>
<td>228</td>
<td>$-</td>
</tr>
<tr>
<td>Premiums and deferred amounts</td>
<td>527</td>
<td>420</td>
<td>41</td>
</tr>
<tr>
<td>Total</td>
<td>$18,294</td>
<td>$16,909</td>
<td>$1,539</td>
</tr>
</tbody>
</table>

The State’s total bonded debt increased by $1.3 billion (7.0 percent) during the current fiscal year. This increase resulted mainly from an increase in long-term notes of $0.9 billion.

The State’s General Obligation Bonds are rated Aa2, AA, and AA by Moody’s Investor Service, Standard and Poor’s Corporation, and Fitch Ratings, respectively. Special Tax Obligation Bonds are rated Aa3, AA, AA by Moody’s Investor Service, Standard and Poor’s Corporation, and Fitch Ratings, respectively.

Section 3-21 of the Connecticut General Statutes provides that the total amount of bonds, notes or other evidences of indebtedness payable from General Fund tax receipts authorized by the General Assembly but have not been issued and the total amount of such indebtedness which has been issued and remains outstanding shall not exceed 1.6 times the total estimated General Fund tax receipts of the State for the current fiscal year. In computing the indebtedness at any time, revenue anticipation notes, refunded indebtedness, bond anticipation notes, tax increment financing, budget deficit bonding, revenue bonding, balances in debt retirement funds and other indebtedness pursuant to certain provisions of the General Statutes shall be excluded from the calculation. As of February 2010, the State had a debt incurring margin of $2.4 billion.

Other Long-Term Debt

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

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total Primary Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Pension Obligation</td>
<td>$2,262</td>
<td>$2,021</td>
<td>$-</td>
</tr>
<tr>
<td>Net OPEB Obligation</td>
<td>4,441</td>
<td>2,543</td>
<td>$-</td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>523</td>
<td>503</td>
<td>147</td>
</tr>
<tr>
<td>Workers Compensation</td>
<td>461</td>
<td>460</td>
<td>$-</td>
</tr>
<tr>
<td>Lottery Prizes</td>
<td>$-</td>
<td>$-</td>
<td>181</td>
</tr>
<tr>
<td>Federal Loan Payable</td>
<td>$-</td>
<td>$-</td>
<td>499</td>
</tr>
<tr>
<td>Other</td>
<td>130</td>
<td>91</td>
<td>194</td>
</tr>
<tr>
<td>Total</td>
<td>$7,817</td>
<td>$5,618</td>
<td>$1,021</td>
</tr>
</tbody>
</table>
The State’s other long-term obligations increased by $2.7 billion (43.9 percent) during the fiscal year. This increase was due mainly to an increase in the Net OPEB Obligation of $1.9 billion (Governmental activities) and an increase in Federal loan payable of $0.5 billion (Business-Type activities).

Additional information on the State’s long-term debt can be found in Notes 17 and 18 of this report.

**Economic Factors and Next Year’s Budget**

During the fiscal year, the State’s economy improved while still in recession. The State lost 1,600 payroll jobs over the fiscal year, bringing the unemployment rate to 8.8 percent. New home permits and new auto registrations increased 28.3 percent and 2.4 percent over the fiscal year, respectively. Net business formation increased by 999 businesses as new business starts declined by 2.4 percent while business terminations decreased 19.3 percent over the fiscal year. Personal income increased 2.4 percent to $199.4 billion for the fiscal year. Nationally, the economy showed signs of improvement by growing 2.0 percent in the third quarter of 2010, which is quite modest but it has exhibited an upward trend since June 2009 when the national recovery began. However, the unemployment rate held steady at 9.5 percent by the end of the third quarter of the year.

For fiscal year 2011, the budget for the General Fund was estimated to be in balance at the start of the fiscal year. Budgeted revenues were expected to increase 1.7 percent to $17.7 billion, while budgeted appropriations were expected to increase 1.7 percent to $17.7 billion. Because the economy continued to improve slowly during the fiscal year, the Fund’s budget remained in balance as of the end of the first half of the fiscal year.

**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 1-860-702-3350.
Basic Financial Statements
Statement of Net Assets
June 30, 2010
(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
<th>Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$631,340</td>
<td>$750,398</td>
<td>$1,381,738</td>
<td>$160,413</td>
</tr>
<tr>
<td>Deposits with U.S. Treasury</td>
<td>-</td>
<td>204,190</td>
<td>204,190</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>790,103</td>
<td>49,553</td>
<td>839,656</td>
<td>314,731</td>
</tr>
<tr>
<td>Receivables, (Net of Allowances)</td>
<td>2,274,050</td>
<td>820,558</td>
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<td>159,338</td>
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<td>Internal Balances</td>
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<td>2,130,757</td>
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<td>Cash and Cash Equivalents</td>
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<td>Due From Component Units</td>
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<td>22,571,075</td>
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<th>Liabilities</th>
<th>Governmental Activities</th>
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<th>Component Units</th>
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<td>Due to Component Units</td>
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<td>918</td>
<td>126,879</td>
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<td>203,846</td>
<td>1,920,144</td>
<td>188,879</td>
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<td>2,356,256</td>
<td>26,750,480</td>
<td>4,594,213</td>
</tr>
<tr>
<td>Total Noncurrent Liabilities</td>
<td>24,394,224</td>
<td>2,356,256</td>
<td>26,750,480</td>
<td>4,594,213</td>
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<td>31,959,477</td>
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<td>877,749</td>
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The accompanying notes are an integral part of the financial statements.
Statement of Activities
For The Fiscal Year Ended June 30, 2010
(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Charges for Services, Fees, Fines, and Other</th>
<th>Operating Grants and Contributions</th>
<th>Capital Grants and Contributions</th>
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<tr>
<td><strong>Primary Government</strong></td>
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<td>Legislative</td>
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<td>$2,782</td>
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<td>General Government</td>
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<td>$515,852</td>
<td>$41,717</td>
<td>$-</td>
</tr>
<tr>
<td>Regulation and Protection</td>
<td>$796,124</td>
<td>$599,743</td>
<td>$185,083</td>
<td>$-</td>
</tr>
<tr>
<td>Conservation and Development</td>
<td>$565,836</td>
<td>$138,250</td>
<td>$97,709</td>
<td>$-</td>
</tr>
<tr>
<td>Health and Hospitals</td>
<td>$2,443,119</td>
<td>$65,592</td>
<td>$189,708</td>
<td>$-</td>
</tr>
<tr>
<td>Transportation</td>
<td>$1,742,009</td>
<td>$37,037</td>
<td>$-</td>
<td>$765,837</td>
</tr>
<tr>
<td>Human Services</td>
<td>$6,829,916</td>
<td>$25,075</td>
<td>$4,586,457</td>
<td>$-</td>
</tr>
<tr>
<td>General Government</td>
<td>$1,565,653</td>
<td>$515,852</td>
<td>$41,717</td>
<td>$-</td>
</tr>
<tr>
<td>Regulation and Protection</td>
<td>$796,124</td>
<td>$599,743</td>
<td>$185,083</td>
<td>$-</td>
</tr>
<tr>
<td>Conservation and Development</td>
<td>$565,836</td>
<td>$138,250</td>
<td>$97,709</td>
<td>$-</td>
</tr>
<tr>
<td>Health and Hospitals</td>
<td>$2,443,119</td>
<td>$65,592</td>
<td>$189,708</td>
<td>$-</td>
</tr>
<tr>
<td>Transportation</td>
<td>$1,742,009</td>
<td>$37,037</td>
<td>$-</td>
<td>$765,837</td>
</tr>
<tr>
<td>Human Services</td>
<td>$6,829,916</td>
<td>$25,075</td>
<td>$4,586,457</td>
<td>$-</td>
</tr>
<tr>
<td>University of Connecticut &amp; Health Center</td>
<td>$1,703,104</td>
<td>$921,293</td>
<td>$210,998</td>
<td>$2,396</td>
</tr>
<tr>
<td>State Universities</td>
<td>$649,630</td>
<td>$352,525</td>
<td>$60,494</td>
<td>$4,990</td>
</tr>
<tr>
<td>Bradley International Airport</td>
<td>$69,471</td>
<td>$55,303</td>
<td>$10,150</td>
<td>$-</td>
</tr>
<tr>
<td>Connecticut Lottery Corporation</td>
<td>$723,572</td>
<td>$997,023</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Employment Security</td>
<td>$2,700,797</td>
<td>$718,128</td>
<td>$1,480,063</td>
<td>$-</td>
</tr>
<tr>
<td>Clean Water</td>
<td>$52,761</td>
<td>$21,782</td>
<td>$25,975</td>
<td>$-</td>
</tr>
<tr>
<td>Other</td>
<td>$526,974</td>
<td>$157,094</td>
<td>$107,585</td>
<td>$-</td>
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<tr>
<td><strong>Total Governmental Activities</strong></td>
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<td>$1,522,375</td>
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<tr>
<td><strong>Business-Type Activities</strong></td>
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<tr>
<td>University of Connecticut &amp; Health Center</td>
<td>$1,703,104</td>
<td>$921,293</td>
<td>$210,998</td>
<td>$2,396</td>
</tr>
<tr>
<td>State Universities</td>
<td>$649,630</td>
<td>$352,525</td>
<td>$60,494</td>
<td>$4,990</td>
</tr>
<tr>
<td>Bradley International Airport</td>
<td>$69,471</td>
<td>$55,303</td>
<td>$10,150</td>
<td>$-</td>
</tr>
<tr>
<td>Connecticut Lottery Corporation</td>
<td>$723,572</td>
<td>$997,023</td>
<td>$-</td>
<td>$-</td>
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<tr>
<td>Employment Security</td>
<td>$2,700,797</td>
<td>$718,128</td>
<td>$1,480,063</td>
<td>$-</td>
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<tr>
<td>Clean Water</td>
<td>$52,761</td>
<td>$21,782</td>
<td>$25,975</td>
<td>$-</td>
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<tr>
<td>Other</td>
<td>$526,974</td>
<td>$157,094</td>
<td>$107,585</td>
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<tr>
<td><strong>Total Business-Type Activities</strong></td>
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**Component Units**

<table>
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<tr>
<th>Unit</th>
<th>Expenses</th>
<th>Charges for Services, Fees, Fines, and Other</th>
<th>Operating Grants and Contributions</th>
<th>Capital Grants and Contributions</th>
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</thead>
<tbody>
<tr>
<td>Connecticut Housing Finance Authority (12-31-09)</td>
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</tbody>
</table>

General Revenues:
- Taxes:
  - Personal Income
  - Corporate Income
  - Sales and Use
  - Other
- Restricted for Transportation Purposes:
  - Motor Fuel
  - Other
- Casino Gaming Payments
- Tobacco Settlement
- Unrestricted Investment Earnings
- Contributions to Endowments
- Special Item-Deficit Reduction Transfers
- Transfers-Internal Activities
  - Total General Revenues, Contributions, Special Item, and Transfers
- Change in Net Assets
- Net Assets (Deficit)- Beginning (as restated)
- Net Assets (Deficit)- Ending

The accompanying notes are an integral part of the financial statements.
# Net (Expense) Revenue and Changes in Net Assets

<table>
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<th>Governmental Activities</th>
<th>Business-Type Activities</th>
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<th>Component Units</th>
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<tr>
<td>(329,877)</td>
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<td>(2,187,819)</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(1,061,862)</td>
<td>1,061,862</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>11,049,370</td>
<td>1,081,201</td>
<td>12,130,571</td>
<td>104,815</td>
<td>-</td>
</tr>
<tr>
<td>(3,222,663)</td>
<td>(219,309)</td>
<td>(3,441,972)</td>
<td>(6,463)</td>
<td>-</td>
</tr>
<tr>
<td>(10,450,382)</td>
<td>4,503,952</td>
<td>(5,946,430)</td>
<td>1,804,831</td>
<td>-</td>
</tr>
<tr>
<td>$ (13,673,045)</td>
<td>$ 4,284,643</td>
<td>$ (9,388,402)</td>
<td>$ 1,798,368</td>
<td>-</td>
</tr>
</tbody>
</table>
Governmental Fund Financial Statements

Major Funds

General Fund:
This fund is the State’s general operating fund. It accounts for the financial resources and transactions not accounted for in other funds.

Debt Service Fund:
This fund is used to account for the accumulation of resources for and the payment of principal and interest on special tax obligation bonds of the Transportation fund.

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

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

Nonmajor Funds:
Nonmajor governmental funds are presented, by fund type beginning on page 94.
## Balance Sheet

### Governmental Funds

**June 30, 2010**

(Expressed in Thousands)

### Assets

<table>
<thead>
<tr>
<th></th>
<th>General</th>
<th>Debt Service</th>
<th>Transportation</th>
<th>Restricted Grants &amp; Accounts</th>
<th>Other Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ 114,139</td>
<td>$ -</td>
<td>$ 508,910</td>
</tr>
<tr>
<td>Investments</td>
<td>689,020</td>
<td></td>
<td></td>
<td></td>
<td>101,083</td>
<td>790,103</td>
</tr>
<tr>
<td>Securities Lending Collateral</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>22,038</td>
<td>22,038</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes, Net of Allowances</td>
<td>979,216</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,022,307</td>
</tr>
<tr>
<td>Accounts, Net of Allowances</td>
<td>220,942</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>258,711</td>
</tr>
<tr>
<td>Loans, Net of Allowances</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>253,757</td>
</tr>
<tr>
<td>From Other Governments</td>
<td>651,566</td>
<td></td>
<td></td>
<td>307,330</td>
<td></td>
<td>971,552</td>
</tr>
<tr>
<td>Interest</td>
<td>1,288</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,337</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>24,761</td>
<td>1,288</td>
<td>541,735</td>
<td>734,730</td>
<td>1,275,514</td>
<td></td>
</tr>
<tr>
<td>Due from Component Units</td>
<td>14,967</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14,967</td>
</tr>
<tr>
<td>Inventories</td>
<td>13,916</td>
<td>28,189</td>
<td></td>
<td></td>
<td></td>
<td>42,105</td>
</tr>
<tr>
<td>Restricted Assets</td>
<td>687,752</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>691,201</td>
</tr>
<tr>
<td>Other Assets</td>
<td>-</td>
<td></td>
<td>346</td>
<td></td>
<td></td>
<td>346</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$ 2,594,388</td>
<td>$ 689,040</td>
<td>$ 198,501</td>
<td>$ 831,401</td>
<td>$ 1,653,657</td>
<td>$ 5,966,987</td>
</tr>
</tbody>
</table>

### Liabilities and Fund Balances

#### Liabilities

| Accounts Payable and Accrued Liabilities | $ 372,290 | $ - | $ 29,143 | $ 167,632 | $ 74,140 | $ 643,205 |
| Notes Payable                          |           | -   | -         | -         | 353,085  | 353,085    |
| Due to Other Funds                      | 1,224,303 | 1,288 | -        | 3,245     | 233,761  | 1,462,597  |
| Due to Component Units                  |           | -   | -         | -         | 12,664   | 13,019     |
| Due to Other Governments                | 124,488   | -   | -         | -         | 1,473    | 125,961    |
| Deferred Revenue                        | 496,504   | -   | 5,118     | 37,744    | 27,152   | 566,518    |
| Medicaid Liability                      | 573,031   | -   | -         | -         | -        | 573,031    |
| Liability For Escheated Property        | 532,762   | -   | -         | -         | -        | 532,762    |
| Securities Lending Obligation           |           | -   | -         | -         | 22,038   | 22,038     |
| Other Liabilities                       | 253,832   | -   | -         | -         | -        | 253,832    |
| Total Liabilities                       | 3,577,210 | 1,288 | 34,261    | 210,449   | 722,840  | 4,546,048  |

#### Fund Balances

**Reserved For:**

| Petty Cash | 838      | -    | -        | -         | -        | 838        |
| Inventories| 13,916   | 28,189 | -       | 253,757   | 268,724  |
| Loans      | 14,967   | -    | -        | 115       | 155,377  |
| Continuing Appropriations | 113,285 | 41,977 | -       | 687,752   | 671,335  |
| Debt Service | 687,752 | -    | -        | -         | -        | 687,752    |
| Restricted Purposes | - | -    | 620,952 | 95,383 | 716,335  |
| Surplus Transfer to FY 11 | 449,869 | -    | -        | -         | -        | 449,869    |
| Budget Reserve Fund | 103,274 | -    | -        | -         | -        | 103,274    |
| Unreserved Reported In:                |          |      |          |           |          |            |
| General Fund                           | (1,678,971) | - | -    | - | - | (1,678,971) |
| Transportation Fund                    | -    | 94,074 | -    | 352,525 | 352,525  |
| Special Revenue Funds                  | -    | -    | -        | 229,037  | 229,037  |
| Capital Project Funds                  | -    | -    | -        | 229,037  | 229,037  |
| Total Fund Balances                    | (982,822) | 687,752 | 164,240 | 620,952 | 930,817 | 1,420,939 |
| Total Liabilities and Fund Balances    | $ 2,594,388 | $ 689,040 | $ 198,501 | $ 831,401 | $ 1,653,657 | $ 5,966,987 |

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

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets
June 30, 2010
(Expressed in Thousands)

Total Fund Balance - Governmental Funds $1,420,939

Net assets reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

- Buildings $3,173,636
- Equipment $1,535,777
- Infrastructure $12,555,781
- Other Capital Assets $3,752,851
- Accumulated Depreciation $(10,484,842) $10,533,203

Debt issue costs are recorded as expenditures in the funds. However, these costs are deferred (reported as other assets) and amortized over the life of the bonds in the Statement of Net Assets. $82,097

Some of the state's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. $551,947

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 Assets. $(24,691)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds (Note 17).

- Net Pension Obligation $(2,262,220)
- Net OPEB Obligation $(4,440,703)
- Worker's Compensation $(460,596)
- Capital Leases $(41,702)
- Compensated Absences $(520,284)
- Claims and Judgments $(60,289) $(7,785,794)

Long-term bonded debt is not due and payable in the current period and therefore is not reported in the funds. Unamortized premiums, loss on refundings, and interest payable are not reported in the funds. However, these amounts are included in the Statement of Net Assets. This is the net effect of these balances on the statement (Note 17).

- Bonds Payable $(17,767,148)
- Unamortized Premiums $(720,536)
- Less: Deferred Loss on Refundings 193,958
- Accrued Interest Payable $(157,020) $(18,450,746)

Net Assets of Governmental Activities $13,673,045

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

35
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For The Fiscal Year Ended June 30, 2010
(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Revenues</th>
<th>General</th>
<th>Debt Service</th>
<th>Transportation</th>
<th>Restricted Grants &amp; Accounts</th>
<th>Other Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>10,888,051</td>
<td>-</td>
<td>705,858</td>
<td>-</td>
<td>659</td>
<td>11,594,568</td>
</tr>
<tr>
<td>Assessments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>27,268</td>
<td>27,268</td>
</tr>
<tr>
<td>Licenses, Permits and Fees</td>
<td>256,245</td>
<td>-</td>
<td>296,206</td>
<td>11,338</td>
<td>47,746</td>
<td>611,553</td>
</tr>
<tr>
<td>Tobacco Settlement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>128,977</td>
<td>128,977</td>
<td></td>
</tr>
<tr>
<td>Federal Grants and Aid</td>
<td>4,562,714</td>
<td>-</td>
<td>3,002</td>
<td>2,264,230</td>
<td>96,451</td>
<td>6,926,397</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>33,679</td>
<td>-</td>
<td>60,768</td>
<td>-</td>
<td>4,170</td>
<td>98,617</td>
</tr>
<tr>
<td>Fines, Forfeits and Rents</td>
<td>59,047</td>
<td>-</td>
<td>23,091</td>
<td>-</td>
<td>4,382</td>
<td>86,520</td>
</tr>
<tr>
<td>Casino Gaming Payments</td>
<td>384,248</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>384,248</td>
<td></td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>3,987</td>
<td>5,741</td>
<td>831</td>
<td>1,575</td>
<td>15,424</td>
<td>27,558</td>
</tr>
<tr>
<td>Interest on Loans</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>383,128</td>
<td>2,043</td>
<td>385,161</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>133,782</td>
<td>-</td>
<td>5,453</td>
<td>454,174</td>
<td>110,736</td>
<td>704,145</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>16,321,753</td>
<td>5,741</td>
<td>1,095,209</td>
<td>2,731,317</td>
<td>436,096</td>
<td>20,590,116</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>General</th>
<th>Debt Service</th>
<th>Transportation</th>
<th>Restricted Grants &amp; Accounts</th>
<th>Other Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current:</td>
<td>96,040</td>
<td>-</td>
<td>-</td>
<td>2,296</td>
<td>-</td>
<td>98,336</td>
</tr>
<tr>
<td>Legislative</td>
<td>1,087,026</td>
<td>-</td>
<td>2,080</td>
<td>245,613</td>
<td>102,926</td>
<td>1,437,645</td>
</tr>
<tr>
<td>General Government</td>
<td>354,507</td>
<td>-</td>
<td>81,640</td>
<td>100,412</td>
<td>198,159</td>
<td>734,718</td>
</tr>
<tr>
<td>Regulation and Protection</td>
<td>174,224</td>
<td>-</td>
<td>-</td>
<td>138,723</td>
<td>191,303</td>
<td>504,250</td>
</tr>
<tr>
<td>Conservation and Development</td>
<td>1,980,057</td>
<td>-</td>
<td>-</td>
<td>223,390</td>
<td>11,694</td>
<td>2,154,141</td>
</tr>
<tr>
<td>Transportation</td>
<td>2,295</td>
<td>-</td>
<td>626,318</td>
<td>796,620</td>
<td>14,839</td>
<td>1,440,072</td>
</tr>
<tr>
<td>Human Services</td>
<td>5,662,013</td>
<td>-</td>
<td>-</td>
<td>504,007</td>
<td>9,112</td>
<td>6,175,132</td>
</tr>
<tr>
<td>Education, Libraries, and Museums</td>
<td>3,223,942</td>
<td>-</td>
<td>-</td>
<td>610,337</td>
<td>545,596</td>
<td>4,379,875</td>
</tr>
<tr>
<td>Corrections</td>
<td>1,875,326</td>
<td>-</td>
<td>-</td>
<td>24,414</td>
<td>3,726</td>
<td>1,903,466</td>
</tr>
<tr>
<td>Judicial</td>
<td>724,498</td>
<td>-</td>
<td>-</td>
<td>18,405</td>
<td>19,387</td>
<td>762,290</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>455,288</td>
<td>453,288</td>
<td></td>
</tr>
<tr>
<td>Debt Service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal Retirement</td>
<td>952,740</td>
<td>285,315</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,238,055</td>
</tr>
<tr>
<td>Interest and Fiscal Charges</td>
<td>668,259</td>
<td>147,359</td>
<td>2,043</td>
<td>108,524</td>
<td>9,493</td>
<td>957,858</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>16,800,927</td>
<td>432,874</td>
<td>712,081</td>
<td>2,772,741</td>
<td>1,541,523</td>
<td>22,260,146</td>
</tr>
<tr>
<td>Excess (Deficiency) of Revenues Over Expenditures</td>
<td>(479,174)</td>
<td>(427,133)</td>
<td>383,128</td>
<td>(41,424)</td>
<td>(1,105,427)</td>
<td>(1,670,030)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Financing Sources (Uses)</th>
<th>General</th>
<th>Debt Service</th>
<th>Transportation</th>
<th>Restricted Grants &amp; Accounts</th>
<th>Other Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds and Notes Issued</td>
<td>915,795</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,702,115</td>
<td>2,617,910</td>
</tr>
<tr>
<td>Premiums on Bonds and Notes Issued</td>
<td>80,587</td>
<td>36,961</td>
<td>-</td>
<td>71,921</td>
<td>189,469</td>
<td></td>
</tr>
<tr>
<td>Transfers In</td>
<td>399,505</td>
<td>439,642</td>
<td>5,801</td>
<td>121,963</td>
<td>90,763</td>
<td>1,057,674</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>(1,131,560)</td>
<td>(6,192)</td>
<td>(451,400)</td>
<td>(1,559)</td>
<td>532,180</td>
<td>(2,122,891)</td>
</tr>
<tr>
<td>Refunding Bonds Issued</td>
<td>-</td>
<td>344,105</td>
<td>-</td>
<td>-</td>
<td>344,105</td>
<td></td>
</tr>
<tr>
<td>Payment to Refunded Bond Escrow Agent</td>
<td>-</td>
<td>(379,015)</td>
<td>-</td>
<td>-</td>
<td>(379,015)</td>
<td></td>
</tr>
<tr>
<td>Special Items:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer from Other State Funds</td>
<td>113,244</td>
<td>-</td>
<td>71,200</td>
<td>-</td>
<td>-</td>
<td>184,444</td>
</tr>
<tr>
<td>Transfer to General or Transportation Fund</td>
<td>(71,200)</td>
<td>-</td>
<td>(36,368)</td>
<td>(50,777)</td>
<td>(158,345)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Financing Sources (Uses)</strong></td>
<td>306,371</td>
<td>435,501</td>
<td>(374,399)</td>
<td>84,036</td>
<td>1,281,842</td>
<td>1,733,351</td>
</tr>
<tr>
<td>Net Change in Fund Balances</td>
<td>(172,803)</td>
<td>8,368</td>
<td>8,729</td>
<td>42,612</td>
<td>176,415</td>
<td>63,321</td>
</tr>
<tr>
<td>Fund Balances (Deficit) - Beginning</td>
<td>(799,578)</td>
<td>679,384</td>
<td>154,178</td>
<td>578,340</td>
<td>754,402</td>
<td>1,366,726</td>
</tr>
<tr>
<td>Changes in Reserves for Inventories</td>
<td>(10,441)</td>
<td>-</td>
<td>1,333</td>
<td>-</td>
<td>-</td>
<td>(9,108)</td>
</tr>
<tr>
<td><strong>Fund Balances (Deficit) - Ending</strong></td>
<td>(982,822)</td>
<td>687,752</td>
<td>164,240</td>
<td>620,952</td>
<td>930,817</td>
<td>1,420,939</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

June 30, 2010
(Expressed in Thousands)

Net Change in Fund Balances - Total Governmental Funds $ 63,321

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

Bond proceeds provide current financial resources to governmental funds. However, issuing debt increases long-term liabilities in the Statement of Net Assets. Bond proceeds were received this year from:

- Bonds Issued (2,617,910)
- Refunding Bonds Issued (344,105)
- Premium on Bonds Issued (189,469)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Long-term debt repayments this year consisted of:

- Principal Retirement 1,238,055
- Payments to Refunded Bond Escrow Agent 379,562
- Capital Lease Payments 5,427

Total: 1,623,044

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 1,289,114
- Depreciation Expense (888,234)
- Retirements (549)

Total: 400,331

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 consumption exceeded purchases of inventories. (9,108)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

- Increase in Accrued Interest (13,675)
- Decrease in Interest Accreted on Capital Appreciation Debt 96,947
- Amortization of Bond Premium 78,377
- Amortization of Loss on Debt Refundings (27,110)
- Increase in Compensated Absences Liability (21,813)
- Increase in Workers Compensation Liability (818)
- Increase in Claims and Judgments Liability (16,599)
- Increase in Net Pension Obligation (241,555)
- Increase in Net OPEB Obligation (1,897,745)

Total: (2,043,991)

Because some revenues will not be collected for several months after the state's fiscal year ends, they are not considered "available" revenues and are deferred in governmental funds. Deferred revenues decreased by this amount this year (98,586)

Internal service funds are used by management to charge the costs of certain activities such as insurance and telecommunications, to individual funds. The net revenue (expense) of internal service funds is reported with the governmental activities (14,032)

Debt issue costs are recorded as expenditures in the governmental funds. However, these costs are amortized over the life of the bonds in the Statement of Activities.

In the current year, these amounts are:

- Debt Issue Costs Payments 15,450
- Amortization of Debt Issue Costs (7,608)

Total: 7,842

Change in Net Assets of Governmental Activities $ (3,222,663)

The accompanying notes are an integral part of the financial statements.
Connecticut Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Non-GAAP Budgetary Basis
General and Transportation Funds
For the Fiscal Year Ended June 30, 2010
(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Budget</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td>Taxes, Net of Refunds</td>
<td>$10,927,600</td>
<td>$10,838,500</td>
</tr>
<tr>
<td>Operating Transfers In</td>
<td>400,700</td>
<td>390,900</td>
</tr>
<tr>
<td>Casino Gaming Payments</td>
<td>384,100</td>
<td>384,300</td>
</tr>
<tr>
<td>Licenses, Permits, and Fees</td>
<td>281,500</td>
<td>262,900</td>
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<tr>
<td>Other</td>
<td>348,500</td>
<td>451,300</td>
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<tr>
<td>Federal Grants</td>
<td>4,051,800</td>
<td>4,047,500</td>
</tr>
<tr>
<td>Refunds of Payments</td>
<td>(700)</td>
<td>(1,200)</td>
</tr>
<tr>
<td>Operating Transfers Out</td>
<td>(61,800)</td>
<td>(61,800)</td>
</tr>
<tr>
<td>Transfer to the Resources of the General Fund</td>
<td>1,040,700</td>
<td>1,323,500</td>
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<tr>
<td>Transfer Out - Transportation Strategy Board</td>
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<td>-</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td>$17,372,400</td>
<td>$17,635,900</td>
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</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Budget</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative</td>
<td>79,321</td>
<td>79,346</td>
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<td>General Government</td>
<td>556,840</td>
<td>555,091</td>
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<td>Regulation and Protection</td>
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<td>302,867</td>
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<td>Conservation and Development</td>
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<td>147,202</td>
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<td>Health and Hospitals</td>
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<td>Transportation</td>
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<td>2,904</td>
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<td>5,081,192</td>
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<td>Education, Libraries, and Museums</td>
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<td>4,026,713</td>
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<td>1,578,155</td>
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<td>560,944</td>
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<td>Non Functional</td>
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<td><strong>Total Expenditures</strong></td>
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<td>$17,890,035</td>
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<td>Appropriations Lapsed</td>
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<td>Excess (Deficiency) of Revenues</td>
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<td>88,772</td>
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<td>Over Expenditures</td>
<td>(86,699)</td>
<td>306,565</td>
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<table>
<thead>
<tr>
<th>Other Financing Sources (Uses)</th>
<th>Budget</th>
<th>Variance with Final Budget</th>
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<tbody>
<tr>
<td>Prior Year Appropriations Carried Forward</td>
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<td>88,772</td>
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<tr>
<td>Appropriations Continued to Fiscal Year 2011</td>
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<tr>
<td>Miscellaneous Adjustments</td>
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<tr>
<td><strong>Total Other Financing Sources (Uses)</strong></td>
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<td>90,837</td>
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<td>Net Change in Fund Balance</td>
<td>$2,073</td>
<td>$397,402</td>
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<td>Budgetary Fund Balances - July 1</td>
<td>(857,968)</td>
<td>$572,182</td>
</tr>
<tr>
<td>Changes in Reserves</td>
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<td><strong>Budgetary Fund Balances - June 30</strong></td>
<td>$572,182</td>
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The accompanying notes are an integral part of the financial statements.
Connecticut

### Transportation Fund

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<tr>
<th>Budget</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
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<td>Positive</td>
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<tr>
<td>$</td>
<td>684,800</td>
<td>$ 702,800</td>
<td>$ 706,005</td>
<td>$ 3,205</td>
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<td>81,200</td>
<td>71,200</td>
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<tr>
<td>360,600</td>
<td>358,300</td>
<td>355,706</td>
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<td>(2,594)</td>
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<tr>
<td>16,500</td>
<td>6,500</td>
<td>6,681</td>
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<td>181</td>
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<tr>
<td>(2,600)</td>
<td>(2,900)</td>
<td>(2,906)</td>
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<td>(6)</td>
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<td>(9,500)</td>
<td>(6,500)</td>
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<td>-</td>
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<tr>
<td>(15,300)</td>
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<td>(15,300)</td>
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<tr>
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<td>487,891</td>
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<td>15,046</td>
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<td>591,998</td>
<td>591,889</td>
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<td>1,173,094</td>
<td>1,101,443</td>
<td>71,651</td>
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<td>21,228</td>
<td>28,600</td>
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<td>(28,600)</td>
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<tr>
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<td>(36,275)</td>
<td>(27,094)</td>
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<td>16,445</td>
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<td>(43,539)</td>
<td>(41,977)</td>
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<td>37,325</td>
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<td>37,325</td>
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<td>(41,977)</td>
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<td>37,325</td>
<td>37,325</td>
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<td></td>
<td>$ 147,341</td>
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</tr>
</tbody>
</table>
Proprietary Fund Financial Statements

Major 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.

State Universities:
This fund is used to account for the operations of the State University System which consist of four universities: Central, Eastern, Southern, and Western.

Bradley International Airport:
The airport is owned by the State of Connecticut and is operated by the Bureau of Aviation and Ports of the State of Connecticut, Department of Transportation and the Board of Directors of the Airport. In 1982, the State issued the Airport, 1982 series Revenue Bonds in the aggregate principal amount of $100,000,000 and established the Airport as an enterprise fund. The State also donated in the same year capital assets having a net book value of $33.3 million to the enterprise fund.

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

Employment Security:
to account for the collection of unemployment insurance premiums from employers and the payment of unemployment benefits to eligible claimants.

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

Nonmajor Funds:
Nonmajor proprietary funds are presented, by fund type beginning on page 116.
Statement of Net Assets

Proprietary Funds

June 30, 2010

(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Assets</th>
<th>University of Connecticut &amp; Health Center</th>
<th>State Universities</th>
<th>Bradley International Airport</th>
<th>Connecticut Lottery Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets:</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$358,203</td>
<td>$170,121</td>
<td>$48,134</td>
<td>$18,270</td>
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<td>Deposits with U.S. Treasury</td>
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<td>-</td>
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<td>-</td>
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<td>Investments</td>
<td>5,602</td>
<td>13,705</td>
<td>-</td>
<td>30,246</td>
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<td>Receivables:</td>
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<td>Accounts, Net of Allowances</td>
<td>99,776</td>
<td>166,529</td>
<td>5,366</td>
<td>22,564</td>
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<td>Loans, Net of Allowances</td>
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<td>1,520</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,173</td>
</tr>
<tr>
<td>From Other Governments</td>
<td>-</td>
<td>2,479</td>
<td>1,598</td>
<td>-</td>
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<tr>
<td>Due from Other Funds</td>
<td>54,837</td>
<td>35,303</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Inventories</td>
<td>12,918</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Restricted Assets</td>
<td>146,323</td>
<td>-</td>
<td>13,015</td>
<td>-</td>
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<tr>
<td>Other Current Assets</td>
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<td>3,156</td>
<td>151</td>
<td>2,657</td>
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<td><strong>Total Current Assets</strong></td>
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<td>392,813</td>
<td>68,264</td>
<td>78,910</td>
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<tr>
<td><strong>Noncurrent Assets:</strong></td>
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<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
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<td>105,352</td>
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<td>Investments</td>
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<td>25,760</td>
<td>-</td>
<td>149,323</td>
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<tr>
<td>Receivables:</td>
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<td></td>
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<tr>
<td>Loans, Net of Allowances</td>
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<td>9,698</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Restricted Assets</td>
<td>11,257</td>
<td>-</td>
<td>93,289</td>
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<tr>
<td>Capital Assets, Net of</td>
<td>1,674,642</td>
<td>846,946</td>
<td>309,025</td>
<td>2,667</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>2,064</td>
<td>1,910</td>
<td>21,467</td>
<td>4,942</td>
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<td>Other Noncurrent Assets</td>
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<td></td>
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<tr>
<td><strong>Total Noncurrent Assets</strong></td>
<td>1,709,221</td>
<td>989,666</td>
<td>423,781</td>
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<td><strong>Total Assets</strong></td>
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<td><strong>Liabilities</strong></td>
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<td>Current Liabilities:</td>
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</tr>
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<td>Accounts Payable and Accrued</td>
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<td>10,386</td>
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<td>Liabilities</td>
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<td>3,218</td>
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<tr>
<td>Due to Other Governments</td>
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<td>-</td>
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<tr>
<td>Current Portion of Long-Term</td>
<td>65,826</td>
<td>20,492</td>
<td>10,630</td>
<td>31,190</td>
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<td>Obligations</td>
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<td>183,247</td>
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<td>592</td>
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<td>Deferred Revenue</td>
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<td>279,639</td>
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<tr>
<td>Noncurrent Liabilities:</td>
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<td></td>
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<tr>
<td>Noncurrent Portion of Long-Term Obligations</td>
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<td>307,729</td>
<td>195,045</td>
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<tr>
<td><strong>Total Noncurrent Liabilities</strong></td>
<td>306,539</td>
<td>307,729</td>
<td>195,045</td>
<td>149,954</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
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<td>587,368</td>
<td>219,312</td>
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<td><strong>Net Assets (Deficit)</strong></td>
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<tr>
<td>Invested in Capital Assets, Net</td>
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<td>123,764</td>
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<td>of Related Debt</td>
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<td>Restricted For:</td>
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<td>Clean and Drinking Water</td>
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<td>Projects</td>
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<td>Other Purposes</td>
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<td>7,417</td>
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<tr>
<td>Unrestricted (Deficit)</td>
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<td>50,425</td>
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<td><strong>Total Net Assets (Deficit)</strong></td>
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<td>$272,733</td>
<td>$7,417</td>
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The accompanying notes are an integral part of the financial statements.
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<th>Employment Security</th>
<th>Clean Water</th>
<th>Other Funds</th>
<th>Total</th>
<th>Internal Service Funds</th>
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<tr>
<td>384,439</td>
<td>316,435</td>
<td>397,543</td>
<td>2,328,256</td>
<td>14,757</td>
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<table>
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<td>159,047</td>
<td>2,356,256</td>
<td>3,067</td>
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<td>739,489</td>
<td>159,047</td>
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Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For The Fiscal Year Ended June 30, 2010
(Expressed in Thousands)

Operating Revenues
Charges for Sales and Services $ 814,335 $ 334,945 $ 42,651 $ 996,847
Assessments - - - -
Federal Grants, Contracts and Other Aid 169,379 41,761 - -
State Grants, Contracts and Other Aid 26,086 16,025 - -
Private Gifts and Grants 39,749 2,708 - -
Interest on Loans - - - -
Other 63,317 17,580 - 173
Total Operating Revenues 1,112,866 413,019 42,651 997,020

Operating Expenses
Salaries, Wages and Administrative 1,484,581 567,439 38,445 93,663
Lottery Prize Awards - - - 608,755
Unemployment Compensation - - - -
Claims Paid - - - -
Depreciation and Amortization 118,167 49,838 21,670 465
Other 85,385 22,896 - 7,916
Total Operating Expenses 1,688,133 640,173 60,115 710,799
Operating Income (Loss) (575,267) (227,154) (17,464) 286,221

Nonoperating Revenue (Expenses)
Interest and Investment Income 3,864 1,562 1,214 12,871
Interest and Fiscal Charges (14,971) - (9,356) (12,773)
Other 19,425 (9,457) 12,652 3
Total Nonoperating Revenues (Expenses) 8,318 (7,895) 4,510 101
Income (Loss) Before Capital Contributions, Grants, Transfers, and Special Item (566,949) (235,049) (12,954) 286,322

Capital Contributions 2,396 4,990 10,150 -
Federal Capitalization Grants - - - -
Transfers In 649,974 254,807 9,849 -
Transfers Out - - - (285,500)
Special Item: Transfer to General Fund (18,000) (2,000) - -
Change in Net Assets 67,421 22,748 7,045 822
Total Net Assets (Deficit) - Beginning 1,745,589 772,363 265,688 6,595
Total Net Assets (Deficit) - Ending $ 1,813,010 $ 795,111 $ 272,733 $ 7,417

The accompanying notes are an integral part of the financial statements.
<table>
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<tr>
<th>Employment</th>
<th>Clean</th>
<th>Other</th>
<th>Totals</th>
<th>Internal</th>
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<th>Funds</th>
<th>Funds</th>
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Connecticut

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2010
(Expressed in Thousands)

<table>
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<tr>
<th>Business-Type Activities</th>
<th>University of Connecticut &amp; Health Center</th>
<th>State Universities</th>
<th>Bradley International Airport</th>
<th>Connecticut Lottery Corporation</th>
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<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities</strong></td>
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<td>(14,479)</td>
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<td>296,593</td>
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<td><strong>Cash Flows from Noncapital Financing Activities</strong></td>
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<td>Proceeds from Sale of Bonds</td>
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<td>Additions to Property, Plant and Equipment</td>
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<td>Net Cash Flows from Capital and Related Financing Activities</td>
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<td><strong>Cash Flows from Investing Activities</strong></td>
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<td>2,382</td>
<td>16,802</td>
<td>24,312</td>
</tr>
<tr>
<td><strong>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>$511,998</td>
<td>$275,473</td>
<td>$138,955</td>
<td>$18,270</td>
</tr>
<tr>
<td>Adjustments not Affecting Cash:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>118,167</td>
<td>49,838</td>
<td>21,670</td>
<td>465</td>
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<tr>
<td>Other</td>
<td>83,097</td>
<td>(140)</td>
<td>-</td>
<td>80</td>
</tr>
<tr>
<td>Change in Assets and Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) Decrease in Receivables, Net</td>
<td>6,315</td>
<td>(9,575)</td>
<td>(978)</td>
<td>6,809</td>
</tr>
<tr>
<td>(Increase) Decrease in Due from Other Funds</td>
<td>(31,239)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(Increase) Decrease in Inventories and Other Assets</td>
<td>2,567</td>
<td>(729)</td>
<td>-</td>
<td>846</td>
</tr>
<tr>
<td>Increase (Decrease) in Accounts Payables &amp; Accrued Liabilities</td>
<td>7,074</td>
<td>12,875</td>
<td>(2,426)</td>
<td>2,172</td>
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<td>Increase (Decrease) in Due to Other Funds</td>
<td>(17)</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>Total Adjustments</td>
<td>185,981</td>
<td>52,252</td>
<td>18,266</td>
<td>10,372</td>
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<tr>
<td>Net Cash Provided by (Used In) Operating Activities</td>
<td>(389,286)</td>
<td>(174,902)</td>
<td>802</td>
<td>296,593</td>
</tr>
<tr>
<td><strong>Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents - Current</td>
<td>$358,203</td>
<td>$170,121</td>
<td>$48,134</td>
<td>-</td>
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<tr>
<td>Cash and Cash Equivalents - Noncurrent</td>
<td>1,473</td>
<td>105,352</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash and Cash Equivalents - Restricted</td>
<td>152,322</td>
<td>-</td>
<td>90,821</td>
<td>-</td>
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<tr>
<td>Total Cash and Cash Equivalents</td>
<td>$511,998</td>
<td>$275,473</td>
<td>$138,955</td>
<td>-</td>
</tr>
</tbody>
</table>

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

46
<table>
<thead>
<tr>
<th>Employment Security</th>
<th>Clean Water Water</th>
<th>Other Other</th>
<th>Totals Totals</th>
<th>Internal Service Funds</th>
<th>Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 676,222 $</td>
<td>$ 74,985 $</td>
<td>$ 152,144</td>
<td>$ 3,119,176</td>
<td>$ 57,837</td>
<td>$ 57,837</td>
</tr>
<tr>
<td>-</td>
<td>(7,484)</td>
<td>(81,474)</td>
<td>(853,295)</td>
<td>(35,597)</td>
<td>(35,597)</td>
</tr>
<tr>
<td>-</td>
<td>(988)</td>
<td>(331,870)</td>
<td>(1,779,555)</td>
<td>(13,796)</td>
<td>(13,796)</td>
</tr>
<tr>
<td>(496,909)</td>
<td>(42,464)</td>
<td>(378,178)</td>
<td>(1,184,344)</td>
<td>2,679</td>
<td>2,679</td>
</tr>
<tr>
<td>-</td>
<td>115,835</td>
<td>-</td>
<td>115,835</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>(53,745)</td>
<td>(5,614)</td>
<td>(94,408)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>(37,113)</td>
<td>(2,405)</td>
<td>(53,435)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>2,000</td>
<td>242,857</td>
<td>960,487</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(3,527)</td>
<td>-</td>
<td>(9,849)</td>
<td>(298,876)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>498,453</td>
<td>(64,430)</td>
<td>(3,578)</td>
<td>451,866</td>
<td>(13,205)</td>
<td>(13,205)</td>
</tr>
<tr>
<td>494,926</td>
<td>(37,453)</td>
<td>221,411</td>
<td>1,081,469</td>
<td>(13,205)</td>
<td>(13,205)</td>
</tr>
<tr>
<td>-</td>
<td>16,998</td>
<td>115,740</td>
<td>98,499</td>
<td>7,741</td>
<td>7,741</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>(7,625)</td>
<td>(195,603)</td>
<td>(375)</td>
<td>(375)</td>
</tr>
<tr>
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<td>-</td>
<td>105,000</td>
<td>-</td>
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<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(108,776)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>(3,620)</td>
<td>(66,932)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>202,412</td>
<td>356,739</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>16,998</td>
<td>11,568</td>
<td>29,161</td>
<td>-</td>
<td>-</td>
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<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>18,368</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>(45,995)</td>
<td>(39,458)</td>
<td>8,116</td>
<td>8,116</td>
</tr>
<tr>
<td>-</td>
<td>16,998</td>
<td>156,740</td>
<td>98,499</td>
<td>7,741</td>
<td>7,741</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>36,487</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(12,404)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1,983</td>
<td>17,066</td>
<td>2,041</td>
<td>42,005</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>-</td>
<td>7,703</td>
<td>1,507</td>
<td>9,210</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>41,601</td>
<td>(4,779)</td>
<td>38,506</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1,983</td>
<td>66,370</td>
<td>(1,251)</td>
<td>113,804</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>-</td>
<td>3,451</td>
<td>(1,258)</td>
<td>109,425</td>
<td>(2,773)</td>
<td>(2,773)</td>
</tr>
<tr>
<td>-</td>
<td>976</td>
<td>152,507</td>
<td>990,938</td>
<td>11,064</td>
<td>11,064</td>
</tr>
<tr>
<td>$ -</td>
<td>$ 4,421</td>
<td>$ 151,249</td>
<td>$ 1,100,366</td>
<td>$ 8,291</td>
<td>$ 8,291</td>
</tr>
<tr>
<td>$ (502,606)</td>
<td>$ 9,184</td>
<td>$ (255,900)</td>
<td>$ (1,282,986)</td>
<td>$ 3,645</td>
<td>$ 3,645</td>
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<tr>
<td>-</td>
<td>-</td>
<td>23,183</td>
<td>213,323</td>
<td>17,099</td>
<td>17,099</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>(8,712)</td>
<td>74,325</td>
<td>(4,485)</td>
<td>(4,485)</td>
</tr>
<tr>
<td>(23,088)</td>
<td>(51,648)</td>
<td>(146,628)</td>
<td>(218,793)</td>
<td>(4)</td>
<td>(4)</td>
</tr>
<tr>
<td>264</td>
<td>-</td>
<td>-</td>
<td>(30,975)</td>
<td>2,568</td>
<td>2,568</td>
</tr>
<tr>
<td>39,438</td>
<td>-</td>
<td>3,963</td>
<td>46,085</td>
<td>(1,301)</td>
<td>(1,301)</td>
</tr>
<tr>
<td>3,753</td>
<td>-</td>
<td>5,916</td>
<td>29,364</td>
<td>(14,843)</td>
<td>(14,843)</td>
</tr>
<tr>
<td>(14,670)</td>
<td>-</td>
<td>-</td>
<td>(14,687)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5,697</td>
<td>(51,648)</td>
<td>(122,278)</td>
<td>98,642</td>
<td>(966)</td>
<td>(966)</td>
</tr>
<tr>
<td>$ (496,909)</td>
<td>$ (42,464)</td>
<td>$ (378,178)</td>
<td>$ (1,184,344)</td>
<td>$ 2,679</td>
<td>$ 2,679</td>
</tr>
</tbody>
</table>
Fiduciary Fund Financial Statements

Investment Trust Fund
External Investment Pool:
To account for the portion of the Short-Term Investment Fund that belongs to participants that are not part of the State’s financial reporting entity.

Private Purpose Trust Fund
Escheat Securities:
To account for securities that are held by the State Treasurer for individuals under escheat laws of the State.

Individual fund descriptions and financial statements begin on the following pages:
Pension (and Other Employee Benefit) Trust Funds, page 128
Agency Funds, page 134
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2010  
(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Pension &amp; Other Employee Benefit Trust Funds</th>
<th>Investment Trust Fund External Investment Pool</th>
<th>Private-Purpose Trust Fund Securities</th>
<th>Agency Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 111,850</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 79,969</td>
<td>$ 191,819</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts, Net of Allowances</td>
<td>18,448</td>
<td>-</td>
<td>-</td>
<td>7,195</td>
<td>25,643</td>
</tr>
<tr>
<td>From Other Governments</td>
<td>2,219</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,219</td>
</tr>
<tr>
<td>From Other Funds</td>
<td>1,593</td>
<td>-</td>
<td>-</td>
<td>5,670</td>
<td>7,263</td>
</tr>
<tr>
<td>Interest</td>
<td>85</td>
<td>504</td>
<td>-</td>
<td>10</td>
<td>599</td>
</tr>
<tr>
<td>Investments</td>
<td>21,775,795</td>
<td>884,741</td>
<td>-</td>
<td>-</td>
<td>22,660,536</td>
</tr>
<tr>
<td>Inventories</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Securities Lending Collateral</td>
<td>2,789,794</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,789,794</td>
</tr>
<tr>
<td>Other Assets</td>
<td>-</td>
<td>48</td>
<td>22,098</td>
<td>367,861</td>
<td>390,007</td>
</tr>
<tr>
<td>Total Assets</td>
<td>24,699,784</td>
<td>885,293</td>
<td>22,098</td>
<td>$460,722</td>
<td>26,067,897</td>
</tr>
</tbody>
</table>

| Liabilities | | | | | |
| Accounts Payable and Accrued Liabilities | 9,930 | 200 | - | $ 8,537 | 18,667 |
| Securities Lending Obligation | 2,789,794 | - | - | - | 2,789,794 |
| Due to Other Funds | 2,009 | - | - | 19,411 | 21,420 |
| Funds Held for Others | - | - | - | 432,774 | 432,774 |
| Total Liabilities | 2,801,733 | 200 | - | $460,722 | 3,262,655 |

| Net Assets | | | | | |
| Held in Trust For: | | | | | |
| Employees' Pension Benefits (Note 13) | 21,776,447 | - | - | - | 21,776,447 |
| Other Employee Benefits (Note 15) | 121,604 | - | - | - | 121,604 |
| Individuals, Organizations, and Other Governments | - | 885,093 | 22,098 | - | 907,191 |
| Total Net Assets | $ 21,898,051 | $ 885,093 | $ 22,098 | $ 22,805,242 |

The accompanying notes are an integral part of the financial statements.
## Statement of Changes in Fiduciary Net Assets

**Fiduciary Funds**

For the Fiscal Year Ended June 30, 2010

(Expressed in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Pension &amp; Other Employee Benefit Trust Funds</th>
<th>Investment Trust Fund External Investment Pool</th>
<th>Private-Purpose Trust Fund Escheat Securities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Additions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan Members</td>
<td>$ 408,833</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 408,833</td>
</tr>
<tr>
<td>State</td>
<td>1,846,990</td>
<td>-</td>
<td>-</td>
<td>1,846,990</td>
</tr>
<tr>
<td>Municipalities</td>
<td>38,438</td>
<td>-</td>
<td>-</td>
<td>38,438</td>
</tr>
<tr>
<td>Total Contributions</td>
<td>2,294,261</td>
<td>-</td>
<td>-</td>
<td>2,294,261</td>
</tr>
<tr>
<td>Investment Income</td>
<td>2,730,497</td>
<td>4,466</td>
<td>-</td>
<td>2,734,963</td>
</tr>
<tr>
<td>Less: Investment Expense</td>
<td>-87,252</td>
<td>(252)</td>
<td>-</td>
<td>(87,504)</td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>2,643,245</td>
<td>4,214</td>
<td>-</td>
<td>2,647,459</td>
</tr>
<tr>
<td>Escheat Securities Received</td>
<td>-</td>
<td>-</td>
<td>87,980</td>
<td>87,980</td>
</tr>
<tr>
<td>Transfers In</td>
<td>2,740</td>
<td>-</td>
<td>-</td>
<td>2,740</td>
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<tr>
<td>Other</td>
<td>1,339</td>
<td>-</td>
<td>-</td>
<td>1,339</td>
</tr>
<tr>
<td>Total Additions</td>
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<td>4,214</td>
<td>87,980</td>
<td>5,033,779</td>
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<td><strong>Deductions</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Administrative Expense</td>
<td>2,188</td>
<td>-</td>
<td>-</td>
<td>2,188</td>
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<tr>
<td>Benefit Payments and Refunds</td>
<td>3,444,847</td>
<td>-</td>
<td>-</td>
<td>3,444,847</td>
</tr>
<tr>
<td>Escheat Securities Returned or Sold</td>
<td>-</td>
<td>-</td>
<td>153,871</td>
<td>153,871</td>
</tr>
<tr>
<td>Distributions to Pool Participants</td>
<td>-</td>
<td>4,214</td>
<td>-</td>
<td>4,214</td>
</tr>
<tr>
<td>Pool's Share Transactions</td>
<td>-</td>
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<td>-</td>
<td>222,575</td>
</tr>
<tr>
<td>Other</td>
<td>2,880</td>
<td>-</td>
<td>308</td>
<td>3,188</td>
</tr>
<tr>
<td>Total Deductions</td>
<td>3,449,915</td>
<td>226,789</td>
<td>154,179</td>
<td>3,820,883</td>
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<tr>
<td>Change in Net Assets Held In Trust For:</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension and Other Employee Benefits</td>
<td>1,491,670</td>
<td>-</td>
<td>-</td>
<td>1,491,670</td>
</tr>
<tr>
<td>Individuals, Organizations, and Other Governments</td>
<td>-</td>
<td>(222,575)</td>
<td>(66,199)</td>
<td>(288,774)</td>
</tr>
<tr>
<td>Net Assets - Beginning</td>
<td>20,406,381</td>
<td>1,107,668</td>
<td>88,297</td>
<td>21,602,346</td>
</tr>
<tr>
<td>Net Assets - Ending</td>
<td>$ 21,898,051</td>
<td>$ 885,093</td>
<td>$ 22,098</td>
<td>$ 22,805,242</td>
</tr>
</tbody>
</table>

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

Component Unit Financial Statements

Major Component Units

Connecticut Housing Finance Authority:
The Connecticut Housing Finance Authority is a public instrumentality and political subdivision of the State created for the purpose of increasing the housing supply and encouraging and assisting in the purchase, development and construction of housing for low and moderate income families throughout the State.

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

Nonmajor:
The nonmajor component units are presented beginning on page 138.
# Statement of Net Assets
## Component Units

**June 30, 2010**

(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Connecticut Housing Finance Authority (12-31-09)</th>
<th>Connecticut Health and Educational Facilities Authority</th>
<th>Other Component Units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$</td>
<td>-</td>
<td>$356</td>
<td>$160,057</td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>$5,427</td>
<td>$309,304</td>
<td>$314,731</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts, Net of Allowances</td>
<td>-</td>
<td>$191</td>
<td>$28,711</td>
<td>$28,902</td>
</tr>
<tr>
<td>Loans, Net of Allowances</td>
<td>-</td>
<td>-</td>
<td>$19,133</td>
<td>$19,133</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>$1,164</td>
<td>$1,164</td>
</tr>
<tr>
<td>Due From Primary Government</td>
<td>-</td>
<td>-</td>
<td>$13,019</td>
<td>$13,019</td>
</tr>
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<td>Restricted Assets</td>
<td>1,052,284</td>
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<td>$80,753</td>
<td>1,584,803</td>
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<tr>
<td>Inventories</td>
<td>-</td>
<td>-</td>
<td>$3,970</td>
<td>$3,970</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>-</td>
<td>131</td>
<td>$4,491</td>
<td>$4,622</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>1,052,284</td>
<td>457,871</td>
<td>620,602</td>
<td>2,130,757</td>
</tr>
<tr>
<td><strong>Noncurrent Assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>-</td>
<td>$39,232</td>
<td>$39,232</td>
</tr>
<tr>
<td>Accounts, Net of Allowances</td>
<td>-</td>
<td>-</td>
<td>$16,584</td>
<td>$16,584</td>
</tr>
<tr>
<td>Loans, Net of Allowances</td>
<td>-</td>
<td>-</td>
<td>$157,883</td>
<td>$157,883</td>
</tr>
<tr>
<td>Restricted Assets</td>
<td>4,263,301</td>
<td>10,040</td>
<td>$66,391</td>
<td>4,339,732</td>
</tr>
<tr>
<td>Capital Assets, Net of Accumulated Depreciation</td>
<td>3,234</td>
<td>271</td>
<td>$425,148</td>
<td>428,653</td>
</tr>
<tr>
<td>Other Noncurrent Assets</td>
<td>-</td>
<td>-</td>
<td>$13,036</td>
<td>$13,036</td>
</tr>
<tr>
<td><strong>Total Noncurrent Assets</strong></td>
<td>4,266,535</td>
<td>10,311</td>
<td>718,274</td>
<td>4,995,120</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>5,318,819</td>
<td>468,182</td>
<td>1,338,876</td>
<td>7,125,877</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>33,882</td>
<td>1,007</td>
<td>$29,488</td>
<td>$64,377</td>
</tr>
<tr>
<td>Current Portion of Long-Term Obligations</td>
<td>156,953</td>
<td>-</td>
<td>$31,926</td>
<td>188,879</td>
</tr>
<tr>
<td>Amount Held for Institutions</td>
<td>-</td>
<td>451,766</td>
<td>-</td>
<td>451,766</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>27,371</td>
<td>-</td>
<td>$903</td>
<td>28,274</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>218,206</td>
<td>452,773</td>
<td>62,317</td>
<td>733,296</td>
</tr>
<tr>
<td>Noncurrent Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Noncurrent Portion of Long-Term Obligations</td>
<td>4,219,630</td>
<td>2,220</td>
<td>$372,363</td>
<td>4,594,213</td>
</tr>
<tr>
<td><strong>Total Noncurrent Liabilities</strong></td>
<td>4,219,630</td>
<td>2,220</td>
<td>372,363</td>
<td>4,594,213</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>4,437,836</td>
<td>454,993</td>
<td>434,680</td>
<td>5,327,509</td>
</tr>
</tbody>
</table>

## Net Assets

- **Invested in Capital Assets, Net of Related Debt**: 3,234, 271, 282,637, 286,142

- **Restricted:**
  - Debt Service: -
  - Bond Indentures: 877,749
  - Expendable Endowments: -
  - Nonexpendable Endowments: -
  - Other Purposes: 7,820
  - Unrestricted: 5,098

- **Total Net Assets**: $880,983, $13,189, $904,196, $1,798,368

*The accompanying notes are an integral part of the financial statements.*
# Statement of Activities

## Component Units

For The Fiscal Year Ended June 30, 2010

(Expressed in Thousands)

## Functions/Programs

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Capital Grants and Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connecticut Housing Finance Authority (12/31/09)</td>
<td>$238,891</td>
<td>$179,067</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Connecticut Health and Educational Facilities Authority</td>
<td>$3,968</td>
<td>$6,337</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Other Component Units</td>
<td>$251,036</td>
<td>$189,719</td>
<td>$6,185</td>
<td>$1,309</td>
</tr>
<tr>
<td><strong>Total Component Units</strong></td>
<td><strong>$493,895</strong></td>
<td><strong>$375,123</strong></td>
<td><strong>$6,185</strong></td>
<td><strong>$1,309</strong></td>
</tr>
</tbody>
</table>

General Revenues:
- Investment Income (Loss)
- Contributions to Endowments
- Total General Revenues and Contributions
- Change in Net Assets
- Net Assets - Beginning
- Net Assets - Ending

*The accompanying notes are an integral part of the financial statements.*
Net (Expense) Revenue and Changes in Net Assets

<table>
<thead>
<tr>
<th></th>
<th>Connecticut Housing Authority (12-31-09)</th>
<th>Connecticut Health &amp; Educational Facilities Authority</th>
<th>Other Component Units</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$ (59,824)</td>
<td>-</td>
<td>-</td>
<td>$ (59,824)</td>
</tr>
<tr>
<td>Expenses</td>
<td>-</td>
<td>2,369</td>
<td>-</td>
<td>2,369</td>
</tr>
<tr>
<td>Totals</td>
<td>(59,824)</td>
<td>(53,823)</td>
<td>(53,823)</td>
<td>(111,278)</td>
</tr>
</tbody>
</table>

|                | 51,916                                  | 32                                                  | 25,286                | 77,234 |
|                | -                                       | -                                                   | 27,581                | 27,581 |
| Total          | 51,916                                  | 52,867                                              | 104,815               |        |

|                | (7,908)                                 | 2,401                                               | (956)                 | (6,463) |
|                | 888,891                                 | 10,788                                              | 905,152               | 1,804,831 |
| Total          | 880,983                                 | 13,189                                              | 904,196               | 1,798,368 |
Notes to the Financial Statements
June 30, 2010

Note 1 Summary of Significant Accounting Policies

a. Basis of Presentation
The accompanying financial statements of the State of Connecticut have been prepared in conformity with generally accepted accounting principles as prescribed in pronouncements of the Governmental Accounting Standards Board, 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) the State is able to impose its will on the organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State. The State also includes a nongovernmental nonprofit corporation as a component unit because it would be misleading to exclude the corporation from the reporting entity. Component units are reported in the financial statements in a separate column (discrete presentation), or as part of the primary government (blending presentation).

Discretely Presented Component Units
Discretely presented component units include legally separate organizations for which the State appoints a voting majority of the organization’s governing board and is contingently liable for the organization’s debt or provides funding for the organization’s programs (applies only to the Connecticut Innovations, Incorporated and the Capital City Economic Development Authority). In addition, a nongovernmental nonprofit corporation is included as a discretely presented component unit because of the nature and significance of its relationship with the State are such that it would be misleading to exclude the corporation from the State’s reporting entity. The following organizations are reported in separate columns and rows in the government-wide financial statements to emphasize that they are legally separate from the primary government:

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

Connecticut Housing Finance Authority
The Authority is a public instrumentality and political subdivision of the State. It was created for the purpose of increasing the housing supply and encouraging and assisting in the purchase, development, and construction of housing for low and moderate-income families and persons throughout the State. The Authority’s fiscal year is for the period ending on December 31, 2009.

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

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

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

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

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

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

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.

**Blended Component Units**

**Connecticut Lottery Corporation**
The Connecticut Lottery Corporation is a legally separate organization for which the State appoints a voting majority of the Corporation’s governing board and which provides a significant amount of revenues to the State. The corporation is reported as part of the primary government’s business-type activities in the government-wide financial statements and as a major Enterprise fund in the fund financial statements.

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

**Government-wide Financial Statements**
The Statement of Net Assets and the Statement of Activities report information on all of 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 Assets presents the reporting entity’s nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

1. Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds issued to buy, construct, or improve those assets.

2. Restricted net assets result when constraints placed on net assets use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

3. Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories.

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 particular function or segment. Revenues that are not classified as program revenues, including all taxes, are reported as general revenues.

**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.

The State reports the following major governmental funds:

**General Fund** - This is the State’s primary operating fund. It is used to account for all financial resources which are not required to be accounted in other funds and which are spent for those services normally provided by the State (e.g., health, social assistance, education, etc.).

**Debt Service** - This fund is used to account for the resources accumulated and payments made for 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 revenue collected for the purpose of payment of transportation related bonds and budgeted appropriations of the Department of Transportation. The Department of Transportation is responsible for all aspects of the planning, development, maintenance, and improvement of transportation in the State.

**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.

The State reports the following major enterprise funds:

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

**State Universities** - This fund is used to account for the operations of the State University System which consists of four universities: Central, Eastern, Southern, and Western.

**Bradley International Airport** - This fund is used to account for the financial activities of the Bradley International Airport, which is owned and operated by the State.

**Connecticut Lottery Corporation** - This fund is used to account for the financial activities of the State’s lottery. The Corporation was created in 1996 for the purpose of generating revenues for the State’s General Fund.

**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 loans to municipalities to finance waste water 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 (and Other Employee Benefits) Trust Funds** - These funds account for resources held in trust for the members and beneficiaries of the State’s defined benefit pension plans and other employee benefits plans. These plans are discussed more fully in Notes 11, 12, and 14.

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

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

**Agency 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.

### d. 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. This option is followed by the following component units of the State: the Connecticut Development Authority and the Connecticut Health and Educational Facilities Authority.

**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 all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Sales and use taxes, personal income taxes, public service corporation taxes, special fuel taxes, federal grants, and casino gaming payments are considered to be susceptible to accrual. Licenses, permits, and fees are not considered to be susceptible to accrual and 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 that they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general-long term debt and acquisitions under capital leases are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the State’s policy to use unrestricted resources first, and then restricted resources, as they are needed.

### e. Budgeting Process

By statute, the Governor must submit the State budget to the General Assembly in February of every other year. Prior to June 30, the General Assembly enacts the budget through the passage of appropriation acts for the next two fiscal years and sets forth revenue estimates for the same period for the following funds: the General Fund, the Transportation Fund, the Mashantucket Pequot Fund, the Workers’ Compensation Administration Fund, the Banking Fund, the Consumer Counsel and Public Utility Control Fund, the Insurance Fund, the Criminal Injuries Fund, the Soldiers, Sailors, and Marines Fund and the Regional Market Operations Fund. Under the State Constitution, the Governor has the power to veto any part of the itemized appropriations bill and to accept the remainder of the bill. However, the General Assembly may separately reconsider and repass the disapproved items by a two-thirds majority vote of both the Senate and the House.

Budgetary control is maintained at the individual appropriation account level by agency as established in authorized appropriation bills and is reported in the Annual Report of the State Comptroller. A separate document is necessary because the level of legal control is more detailed than reflected in the
CAFR. Before an agency can utilize funds appropriated for a particular purpose, such funds must be allotted for the specific purpose by the Governor and encumbered by the Comptroller upon request by the agency. Such funds can then be expended by the Treasurer only upon a warrant, draft or order of the Comptroller drawn at the request of the responsible agency. The allotment process maintains expenditure control over special revenue, enterprise, and internal service funds that are not budgeted as part of the annual appropriation act.

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

All funds, except fiduciary funds, use encumbrance accounting. Under this method of accounting, purchase orders, contracts, and other commitments for the expenditures of the fund are recorded in order to reserve that portion of the applicable appropriation. All encumbrances lapse at year-end and, generally, all appropriations lapse at year-end except for certain continuing appropriations (continuing appropriations are defined as 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 “modified cash” basis of accounting under which revenues are recognized when received, except for certain taxes which are recognized when earned. Tax revenues recognized when earned include the following: sales and use, personal income, corporation, public service corporations, petroleum companies, cigarettes, alcoholic beverages, gasoline, special motor fuel, and motor carrier road. Under the modified cash basis, expenditures are recognized when paid. A comparison of actual results of operations recorded on this basis and the adopted budget is presented in the financial statements for the General and Transportation funds. During the 2010 fiscal year, the original adopted budget was adjusted by the General Assembly and the Finance Advisory Committee.

f. Assets and Liabilities

Cash and Cash Equivalents (see Note 4)

In addition to petty cash and bank accounts, this account includes cash equivalents – short-term, highly liquid investments with original maturities of three months or less when purchased. Cash equivalents include investments in the Short-Term Investment Fund (“STIF”) and the Tax Exempt Proceeds Fund, Inc. (“TEPF”). TEPF is a short-term, tax-exempt money market fund reported under the Investment Company Act of 1940. Investments in STIF and TEPF are reported at the fund’s share price.

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 4)

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 equity and debt securities 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 giving consideration to 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 assets.

Inventories

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

Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, railways, and similar items), are reported in the applicable governmental or
business-type activities columns in the government-wide financial statements. Capital assets are defined by the State as assets with an initial individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated fair market value at the date of donation.

Collections of historical documents, rare books and manuscripts, guns, paintings, and other items are not capitalized. These collections are held by the State Library for public exhibition, education, or research; and are kept protected, cared for, and preserved indefinitely. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are also not capitalized.

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.

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

<table>
<thead>
<tr>
<th>Assets</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>40</td>
</tr>
<tr>
<td>Improvements Other than Buildings</td>
<td>10-20</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>5-30</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>20-28</td>
</tr>
</tbody>
</table>

Securities Lending Transactions (see Note 4)
Assets, liabilities, income, and expenses arising from securities lending transactions of the Combined Investment Funds are allocated ratably to the participant funds based on their equity in the Combined Investment Funds.

Deferred Revenues
In the government-wide and fund financial statements, this liability represents resources that have been received, but not yet earned. In the fund financial statements, this liability also represents revenues considered measurable but not available during the current period.

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 assets. 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 deferred charges and amortized over the term of the related debt. Other long-term obligations include compensated absences, workers’ compensation claims, capital leases, claims and judgments, annuities payable, and the net pension and OPEB obligations.

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 or not 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 assets at its net or accreted value rather than at face value.

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

Vacation and sick policy is as follows: Employees hired on or before June 30, 1977, and managers regardless of date hired can accumulate up to a maximum of 120 vacation days. Employees hired after that date can accumulate up to a maximum of 60 days. Upon termination or death, the employee is entitled to be paid for the full amount of vacation days owed. No limit is placed on the number of sick days that an employee can accumulate. However, the employee is entitled to payment for accumulated sick time only upon retirement, or after ten years of service upon death, for an amount equal to one-fourth of his/her accrued sick leave up to a maximum payment equivalent to sixty days.

Pursuant to Special Act No. 09-06, the General Assembly enacted an Early Retirement Incentive Program in order to mitigate the deficit of the General Fund of the State. Under the provisions of this program, any employee participating in the program shall be eligible for payment of accrued sick days and for the balance of unused vacation leave in accordance with the existing rules as stated above, except for one modification. The modification provides that the balance of any compensated absences shall be paid in three equal annual installments beginning during fiscal year ending June 30, 2013.

g. Fund Balance
In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

h. Interest Rate Swap Agreements
The State has entered into interest rate swap agreements to modify interest rates on outstanding debt. These agreements
are considered to be derivative instruments and are discussed in more detail in Note No. 19.

i. Interfund Activities
In the fund financial statements, interfund activities are reported as follows:

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

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

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

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

j. Food Stamps
Food stamps distributed to recipients during the year are recognized as both an expenditure and a revenue in the governmental fund financial statements.

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

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

Note 2 Budgetary vs. GAAP Basis of Accounting
The following is a reconciliation of the net change in fund balances as reported in the budgetary and GAAP basis of accounting statements of revenues, expenditures, and changes in fund balances (amounts in thousands):

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Transportation Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net change in fund balances (budgetary basis)</td>
<td>$449,869</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
</tr>
<tr>
<td>Increases (decreases) in revenue accruals:</td>
<td></td>
</tr>
<tr>
<td>Receivables and Other Assets</td>
<td>$155,746</td>
</tr>
<tr>
<td>Accounts Payable and Other Liabilities</td>
<td>$100,928</td>
</tr>
<tr>
<td>Salaries and Fringe Benefits Payable</td>
<td>$7,805</td>
</tr>
<tr>
<td>Increase in Continuing Appropriations</td>
<td>$32,704</td>
</tr>
<tr>
<td>Plus Long-Term Note Proceeds</td>
<td>$947,578</td>
</tr>
<tr>
<td>Less Transfer From Budget Reserve Fund</td>
<td>$(1,279,475)</td>
</tr>
<tr>
<td>Fund Reclassification-Bus Operations</td>
<td>-</td>
</tr>
<tr>
<td>Net change in fund balances (GAAP basis)</td>
<td>$(172,803)</td>
</tr>
</tbody>
</table>

The major differences between the budgetary (legal) and the GAAP (generally accepted accounting principles) basis of accounting as reconciled above are as follows:

1. Revenues are recorded when received in cash except for certain year-end accruals (budgetary basis) as opposed to revenues being recorded when they are susceptible to accrual (GAAP basis).

2. Expenditures are recorded when paid in cash (budgetary basis) as opposed to expenditures being recorded when the related fund liability is incurred (GAAP basis).

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

Note 3 Nonmajor Fund Deficits
The following funds have deficit fund/net assets balances at June 30, 2010, none of which constitutes a violation of statutory provisions (amounts in thousands).

| Special Revenue | | |
|-----------------|-----------------|
| Consumer Counsel Public Utility Control | $2,188 |

<table>
<thead>
<tr>
<th>Enterprise</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bradley Parking Garage</td>
<td>$23,789</td>
</tr>
</tbody>
</table>

| Internal Service | | |
|------------------|-----------------|
| Administrative Services | $32,732 |

Note 4 Cash Deposits and Investments
According to GASB Statement No. 40, “Deposit and Investment Risk Disclosures”, the State needs to make certain disclosures about deposit and investment risks that have the potential to result in losses. Thus, the following deposit and investment risks are discussed in this note:

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

Credit Risk - the risk that an issuer or other counterparty to an investment will not fulfill its obligations.
Concentration of Credit Risk - the risk of loss attributed to the magnitude of an investment in a single issuer.
Custodial Credit Risk (deposits) - the risk that, in the event of a bank failure, the State’s deposits may not be recovered.
Custodial Credit Risk (investments) - the risk that, in the event of a failure of the counterparty, the State will not be able to recover the value of investments or collateral securities that are in the possession of an outside party.
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, one Medium-Term Investment Fund, and eleven 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, asset-backed securities, and student loans. STIF’s investments are reported at amortized cost (which approximates fair value) in the fund’s statement of net assets.

For financial reporting purposes, STIF is considered to be a mixed investment pool – a pool having external and internal portions. The external portion of STIF (i.e. the portion that belongs to participants which are not part of the State’s financial reporting entity) is reported as an investment trust fund (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.

As of June 30, 2010, STIF had the following investments and maturities (amounts in thousands):

<table>
<thead>
<tr>
<th>Investment Maturities</th>
<th>Investment Type</th>
<th>Amortized</th>
<th>Cost</th>
<th>Less Than 1</th>
<th>1-5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Floating Rate Notes</td>
<td>$35,323</td>
<td>$35,323</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Federal Agency Securities</td>
<td>1,117,795</td>
<td>1,117,795</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>US Gov. Guaranteed Securities</td>
<td>187,521</td>
<td>177,422</td>
<td>10,099</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Government Money Market Funds</td>
<td>450,000</td>
<td>450,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Repurchase Agreements</td>
<td>459,126</td>
<td>459,126</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Bank Commercial Paper</td>
<td>475,000</td>
<td>475,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total Investments</td>
<td>$2,724,765</td>
<td>$2,714,666</td>
<td>$10,099</td>
<td>-</td>
</tr>
</tbody>
</table>

Interest Rate Risk
The 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, 2010, the weighted average maturity of the STIF was 19 days. Additionally, STIF is allowed by policy to invest in floating-rate securities, and investments in such securities with maturities up to two years are limited to no more than 20 percent of the overall portfolio. For purposes of the fund’s weighted average maturity calculation, variable-rate securities are calculated using their rate reset date. Because these securities reprice frequently to prevailing market rates, interest rate risk is substantially reduced. As of June 30, 2010, the amount of STIF’s investments in variable-rate securities was $919 million.

Credit Risk
The STIF’s policy for managing credit risk is to invest in debt securities that fall within the highest short-term or long-term rating categories by nationally recognized rating organizations. As of June 30, 2010, STIF’s investments were rated by Standard and Poor’s as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Investment Issuer</th>
<th>Amortized</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Bank</td>
<td>$475,000</td>
</tr>
<tr>
<td>Federal Home Loan Bank</td>
<td>$297,005</td>
</tr>
<tr>
<td>RBS Citizens Bank</td>
<td>$359,126</td>
</tr>
<tr>
<td>Federal Farm Credit</td>
<td>$337,924</td>
</tr>
<tr>
<td>Freddie Mac</td>
<td>$401,748</td>
</tr>
<tr>
<td>Goldman Sachs</td>
<td>$253,298</td>
</tr>
<tr>
<td>BlackRock</td>
<td>$225,000</td>
</tr>
</tbody>
</table>

Concentration of Credit Risk
STIF reduces its exposure to this risk by requiring that not more than 10 percent of its portfolio be invested in securities of any one issuer, except for overnight or two-business day repurchase agreements and U.S. government and agency securities. As of June 30, 2010, STIF’s investments in any one issuer that represents more than 5 percent of total investments were as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Investment Issuer</th>
<th>Amortized</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Bank</td>
<td>$475,000</td>
</tr>
<tr>
<td>Federal Home Loan Bank</td>
<td>$297,005</td>
</tr>
<tr>
<td>RBS Citizens Bank</td>
<td>$359,126</td>
</tr>
<tr>
<td>Federal Farm Credit</td>
<td>$337,924</td>
</tr>
<tr>
<td>Freddie Mac</td>
<td>$401,748</td>
</tr>
<tr>
<td>Goldman Sachs</td>
<td>$253,298</td>
</tr>
<tr>
<td>BlackRock</td>
<td>$225,000</td>
</tr>
</tbody>
</table>

Custodial Credit Risk-Bank Deposits-Nonnegotiable Certificate of Deposits and NOW Accounts (amounts in thousands):

The STIF follows policy parameters that limit deposits in any one entity to a maximum of ten percent of assets. Further, the certificate of deposits must be issued from commercial banks.
Connecticut

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 and its issuer rating is at least “C”. As of June 30, 2010, $1,854,000 of the bank balance of STIF’s deposits of $1,855,000 was exposed to custodial credit risk as follows:

<table>
<thead>
<tr>
<th>Type of Exposure</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uninsured and uncollateralized</td>
<td>$1,668,600</td>
</tr>
<tr>
<td>Uninsured and collateral held by trust department of either the pledging bank or another bank not in the name of the State</td>
<td>$185,400</td>
</tr>
<tr>
<td>Total</td>
<td>$1,854,000</td>
</tr>
</tbody>
</table>

Short-Term Plus Investment Fund (STIF Plus)

STIF Plus is a money market and short-term bond 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 Plus in U.S. government and agency obligations, certificates of deposit, commercial paper, corporate bonds, saving accounts, bankers’ acceptance, repurchase agreements, and asset-backed securities. STIF Plus’ investments are reported at fair value on the fund’s statement of net assets.

For financial reporting purposes, STIF Plus is considered to be an internal investment pool and is not reported in the accompanying financial statements. Instead, investments in STIF Plus by participant funds are reported as other investments in the government-wide and fund financial statements.

As of June 30, 2010, STIF Plus had the following investments and maturities (amount in thousands):

<table>
<thead>
<tr>
<th>Short-Term Plus Investment Fund</th>
<th>Investment Maturities (in years)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fair</td>
</tr>
<tr>
<td>Corporate Notes</td>
<td>$44,478</td>
</tr>
<tr>
<td>Asset Backed Securities</td>
<td>8,064</td>
</tr>
<tr>
<td>Total Investments</td>
<td>$52,542</td>
</tr>
</tbody>
</table>

Interest Rate Risk

STIF Plus’ policy for managing this risk is to perform, on a quarterly basis, an interest rate sensitivity analysis on the duration and the market value of the portfolio to determine the potential effect of a 200 basis point movement in interest rates. As of June 30, 2010, the weighted average maturity of STIF Plus was 105 days. In addition, STIF Plus is allowed to invest in floating-rate debt securities. For purposes of the fund’s weighted average maturity calculation, variable-rate securities are calculated using their rate reset date. Because these securities reprise frequently to prevailing market rates, interest rate risk is substantially reduced. As of June 30, 2010, STIF Plus’s investment in variable-rate securities was $50 million.

Credit Risk

The STIF Plus manages its credit risk by investing only in debt securities that fall within the highest short-term or long-term rating categories by nationally recognized rating organizations. As of June 30, 2010, STIF Plus’ investments were rated by Standard and Poor’s as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Short-Term Plus Investment Fund</th>
<th>Quality Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Type</td>
<td>AAA</td>
</tr>
<tr>
<td>Corporate Notes</td>
<td>$44,477</td>
</tr>
<tr>
<td>Asset Backed Securities</td>
<td>8,065</td>
</tr>
<tr>
<td>Total</td>
<td>$52,542</td>
</tr>
</tbody>
</table>

Concentration of Credit Risk

STIF Plus’ policy for managing this risk is to limit the amount it may invest in any single corporate entity or federal agency to 5 percent and 15 percent, respectively, at the time of purchase. As of June 30, 2010, STIF Plus’ investments in any one issuer that represents more than 5 percent of total investments were as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Fair Investment Issuer</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>GE Capital Corp</td>
<td>$10,000</td>
</tr>
<tr>
<td>Goldman Sachs</td>
<td>$9,831</td>
</tr>
<tr>
<td>Merrill Lynch</td>
<td>$9,712</td>
</tr>
<tr>
<td>Wells Fargo</td>
<td>$7,993</td>
</tr>
<tr>
<td>Citigroup</td>
<td>$6,942</td>
</tr>
</tbody>
</table>

Combined Investment Funds (CIFS)

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

For financial reporting purposes, the CIFS are considered to be internal 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. As of June 30, 2010, the amount of equity in the CIFS reported in the financial statements was as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Primary Government</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Fiduciary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity in the CIFS</td>
<td>$93,193</td>
<td>$603</td>
<td>$21,775,795</td>
</tr>
<tr>
<td>Other Investments</td>
<td>696,910</td>
<td>48,950</td>
<td>884,741</td>
</tr>
<tr>
<td>Total Investments-Current</td>
<td>$790,103</td>
<td>$49,553</td>
<td>$22,660,536</td>
</tr>
</tbody>
</table>

66
As of June 30, 2010, the CIFS had the following investments and maturities (amounts in thousands):

### Combined Investment Funds

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Fair Value</th>
<th>Investment Maturities (in Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less Than 1</td>
<td>1 - 5</td>
</tr>
<tr>
<td></td>
<td>6 - 10</td>
<td>More Than 10</td>
</tr>
<tr>
<td>Cash Equivalents</td>
<td>$1,640,653</td>
<td>$1,476,783</td>
</tr>
<tr>
<td>Asset Backed Securities</td>
<td>91,299</td>
<td>1,442</td>
</tr>
<tr>
<td>Government Securities</td>
<td>2,823,711</td>
<td>284,301</td>
</tr>
<tr>
<td>Government Agency Securities</td>
<td>834,379</td>
<td>1,873</td>
</tr>
<tr>
<td>Mortgage Backed Securities</td>
<td>323,167</td>
<td>3,651</td>
</tr>
<tr>
<td>Corporate Debt</td>
<td>1,603,717</td>
<td>92,533</td>
</tr>
<tr>
<td>Convertible Debt</td>
<td>42,184</td>
<td>2,708</td>
</tr>
<tr>
<td>Mutual Fund</td>
<td>273,962</td>
<td>-</td>
</tr>
<tr>
<td>Total Debt Instruments</td>
<td>7,633,072</td>
<td>$1,863,291</td>
</tr>
<tr>
<td>Common Stock</td>
<td>10,344,405</td>
<td></td>
</tr>
<tr>
<td>Preferred Stock</td>
<td>68,897</td>
<td></td>
</tr>
<tr>
<td>Real Estate Investment Trust</td>
<td>98,856</td>
<td></td>
</tr>
<tr>
<td>Mutual Fund</td>
<td>736,370</td>
<td></td>
</tr>
<tr>
<td>Limited Liability Corporation</td>
<td>4,239</td>
<td></td>
</tr>
<tr>
<td>Trusts</td>
<td>2,709</td>
<td></td>
</tr>
<tr>
<td>Limited Partnerships</td>
<td>2,896,391</td>
<td></td>
</tr>
<tr>
<td>Total Investments</td>
<td>$21,784,939</td>
<td></td>
</tr>
</tbody>
</table>

### Combined Investment Funds

<table>
<thead>
<tr>
<th>Interest Rate Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIFS’ investment managers are given full discretion to manage their portion of CIFS’ assets within their respective guidelines and constraints. The guidelines and constraints require each manager to maintain a diversified portfolio at all times. In addition, each core manager is required to maintain a target duration that is similar to its respective benchmark which is typically the Barclays Aggregate-an intermediate duration index.</td>
</tr>
</tbody>
</table>

### Credit Risk

The CIFS minimizes 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, 2010, CIFS’ debt investments were rated by Moody’s as follows (amounts in thousands):

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Aaa</td>
<td>$3,038,956</td>
<td>$55,094</td>
<td>$1,921,763</td>
<td>$738,171</td>
<td>$191,445</td>
<td>$132,483</td>
<td>$163,870</td>
<td></td>
</tr>
<tr>
<td>Aa</td>
<td>300,391</td>
<td>35,700</td>
<td>7,834</td>
<td>587,79</td>
<td>9,628</td>
<td>176,350</td>
<td>287,844</td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>410,861</td>
<td>44,000</td>
<td>271</td>
<td>129,918</td>
<td>-</td>
<td>3,955</td>
<td>232,355</td>
<td></td>
</tr>
<tr>
<td>Baa</td>
<td>558,753</td>
<td>-</td>
<td>1,199</td>
<td>236,443</td>
<td>-</td>
<td>14,137</td>
<td>306,877</td>
<td></td>
</tr>
<tr>
<td>Ba</td>
<td>304,201</td>
<td>-</td>
<td>-</td>
<td>133,776</td>
<td>5,885</td>
<td>162,782</td>
<td>731,100</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>330,843</td>
<td>-</td>
<td>-</td>
<td>42,516</td>
<td>-</td>
<td>203</td>
<td>260,390</td>
<td></td>
</tr>
<tr>
<td>Caa</td>
<td>139,359</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,814</td>
<td>130,146</td>
<td>731,100</td>
<td></td>
</tr>
<tr>
<td>Ca</td>
<td>7,252</td>
<td>-</td>
<td>-</td>
<td>1,748</td>
<td>-</td>
<td>5,040</td>
<td>260,390</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>1,469</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>877</td>
<td>592</td>
<td>260,390</td>
<td></td>
</tr>
<tr>
<td>MIG 1</td>
<td>8,259</td>
<td>-</td>
<td>8,259</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>260,390</td>
<td></td>
</tr>
<tr>
<td>Prime 1</td>
<td>345,685</td>
<td>314,245</td>
<td>1,440</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>260,390</td>
<td></td>
</tr>
<tr>
<td>Not Rated</td>
<td>2,187,044</td>
<td>1,246,709</td>
<td>25,461</td>
<td>278,409</td>
<td>96,208</td>
<td>90,222</td>
<td>145,606</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$7,633,073</td>
<td>$1,640,654</td>
<td>$91,299</td>
<td>$2,823,711</td>
<td>$834,379</td>
<td>$323,166</td>
<td>$1,603,717</td>
<td>$42,185</td>
</tr>
</tbody>
</table>
**Foreign Currency Risk**

The CIFS manage exposure to this risk by utilizing a strategic hedge ratio of 50 percent for the developed market portion of the International Stock Fund (a Combined Investment Fund). This strategic hedge ratio represents the neutral stance or desired long-term exposure to currency for the ISF. To implement this policy, currency specialists actively manage the currency portfolio as an overlay strategy to the equity investment managers. These specialists may manage the portfolio passively or actively depending on opportunities in the market place. While managers within the fixed income portion of the portfolio are allowed to invest in non-U.S. denominated securities, managers are required to limit that investment to a portion of their respective portfolios. As of June 30, 2010, CIFS’ foreign deposits and investments were as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Foreign Currency</th>
<th>Total</th>
<th>Cash</th>
<th>Government Securities</th>
<th>Mutual Funds</th>
<th>Corporate Debt</th>
<th>Convertible Securities</th>
<th>Asset Backed</th>
<th>Mortgage Backed</th>
<th>Common Stock</th>
<th>Preferred Stock</th>
<th>Real Estate Investment Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentine Peso</td>
<td>$1,084</td>
<td>$77</td>
<td>$1,007</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Australian Dollar</td>
<td>258,256</td>
<td>309</td>
<td>12,197</td>
<td>17,519</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>214,960</td>
<td>19.00</td>
<td>13,252</td>
</tr>
<tr>
<td>Brazilian Real</td>
<td>179,428</td>
<td>3,166</td>
<td>50,777</td>
<td>7,234</td>
<td>295</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>76,404</td>
<td>41,552</td>
<td>-</td>
</tr>
<tr>
<td>Canadian Dollar</td>
<td>100,682</td>
<td>442</td>
<td>8,160</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>92,080</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Chilean Peso</td>
<td>1,084</td>
<td>1</td>
<td>-</td>
<td>582</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>345</td>
<td>156</td>
<td>-</td>
</tr>
<tr>
<td>Colombian Peso</td>
<td>16,603</td>
<td>7,619</td>
<td>8,984</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Czech Koruna</td>
<td>15,382</td>
<td>211</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15,171</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Danish Krone</td>
<td>44,277</td>
<td>215</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>44,062</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Egyptian Pound</td>
<td>21,263</td>
<td>239</td>
<td>5,989</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15,035</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Euro Currency</td>
<td>1,229,218</td>
<td>3,988</td>
<td>39,040</td>
<td>6,524</td>
<td>2,149</td>
<td>1,538</td>
<td>1,158,612</td>
<td>13,634</td>
<td>3,732</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ghana Cedi</td>
<td>240</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Hong Hong Dollar</td>
<td>423,373</td>
<td>600</td>
<td>93</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>422,052</td>
<td>-</td>
<td>628</td>
</tr>
<tr>
<td>Hungarian Forint</td>
<td>39,427</td>
<td>366</td>
<td>8,177</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30,884</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Iceland Krona</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Indian Rupee</td>
<td>238</td>
<td>-</td>
<td>-</td>
<td>228</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Indonesian Rupiah</td>
<td>92,502</td>
<td>125</td>
<td>13,066</td>
<td>13,083</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>66,228</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Israeli Shekel</td>
<td>336</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>336</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Japanese Yen</td>
<td>889,509</td>
<td>4,767</td>
<td>4,160</td>
<td>362</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>878,277</td>
<td>-</td>
<td>1,943</td>
</tr>
<tr>
<td>Kazakhstan Tenge</td>
<td>2,063</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,063</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Malaysian Ringgit</td>
<td>76,137</td>
<td>15</td>
<td>22,445</td>
<td>3,679</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>49,998</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mexican Peso</td>
<td>96,933</td>
<td>1,839</td>
<td>41,406</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>53,688</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Moroccon Dirham</td>
<td>430</td>
<td>30</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>400</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>New Russian Rubel</td>
<td>3,622</td>
<td>70</td>
<td>-</td>
<td>3,552</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>New Taiwan Dollar</td>
<td>64,030</td>
<td>474</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>63,556</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>New Zealand Dollar</td>
<td>42,681</td>
<td>191</td>
<td>32,822</td>
<td>49</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,609</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nigerian Naria</td>
<td>3,934</td>
<td>-</td>
<td>-</td>
<td>3,934</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Norwegian Kroner</td>
<td>32,836</td>
<td>111</td>
<td>6,431</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>26,294</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pakistan Rupee</td>
<td>170</td>
<td>170</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Peruvian Nouveau Sol</td>
<td>1,296</td>
<td>-</td>
<td>1,296</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Philippine Peso</td>
<td>21,160</td>
<td>11</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>21,149</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Polish Zloty</td>
<td>60,926</td>
<td>5</td>
<td>33,589</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>27,332</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pound Sterling</td>
<td>789,570</td>
<td>1,744</td>
<td>-</td>
<td>27,332</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>784,189</td>
<td>-</td>
<td>3,637</td>
</tr>
<tr>
<td>Singapore Dollar</td>
<td>79,835</td>
<td>513</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>74,600</td>
<td>-</td>
<td>4,272</td>
</tr>
<tr>
<td>South Africa Rand</td>
<td>115,933</td>
<td>982</td>
<td>26,425</td>
<td>96</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>88,403</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>South Korean Won</td>
<td>386,354</td>
<td>466</td>
<td>5,369</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>369,387</td>
<td>11,132</td>
<td>-</td>
</tr>
<tr>
<td>Sri Lanka Rupee</td>
<td>202</td>
<td>-</td>
<td>202</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Swedish Krona</td>
<td>93,854</td>
<td>1,647</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>92,207</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Swiss Franc</td>
<td>345,585</td>
<td>651</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>344,934</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Thailand Baht</td>
<td>96,871</td>
<td>9,468</td>
<td>996</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>86,407</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Turkish Lira</td>
<td>111,662</td>
<td>308</td>
<td>17,446</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>93,908</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Zambian Kwacha</td>
<td>362</td>
<td>-</td>
<td>362</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$5,738,900</td>
<td>$23,736</td>
<td>$347,129</td>
<td>$142</td>
<td>$69,048</td>
<td>$657</td>
<td>$2,149</td>
<td>$1,538</td>
<td>$5,200,534</td>
<td>$66,493</td>
<td>$27,474</td>
</tr>
</tbody>
</table>
Connecticut

### Derivatives
As of June 30, 2010, the CIFS held the following derivative investments:

<table>
<thead>
<tr>
<th>Derivative Investments</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Backed Securities</td>
<td>$74,806</td>
</tr>
<tr>
<td>Mortgage Backed Securities</td>
<td>109,747</td>
</tr>
<tr>
<td>Collateralized Mortgage Obligations</td>
<td>229,719</td>
</tr>
<tr>
<td>TBA's</td>
<td>101,398</td>
</tr>
<tr>
<td>Interest Only Securities</td>
<td>709</td>
</tr>
<tr>
<td>Options</td>
<td>942</td>
</tr>
<tr>
<td>Adjustable Rate Securities</td>
<td>1,110,057</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,627,378</strong></td>
</tr>
</tbody>
</table>

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, 2010, the fair value of contracts to buy and contracts to sell was $4,248 million and $4,182 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, 2010, the CIFS had deposits with a bank balance of $40.2 million which was uninsured and uncollateralized.

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

### Other Investments
As of June 30, 2010, the State had other investments and maturities as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Other Investments</th>
<th>Investment Maturities (in years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Type</td>
<td>Fair Value</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>$4,999</td>
</tr>
<tr>
<td>State Bonds</td>
<td>42,866</td>
</tr>
<tr>
<td>U.S. Government Securities</td>
<td>80,746</td>
</tr>
<tr>
<td>Guaranteed Investment Contracts</td>
<td>390,651</td>
</tr>
<tr>
<td>Tax Exempt Proceeds Fund</td>
<td>16,203</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>10,584</td>
</tr>
<tr>
<td><strong>Total Debt Investments</strong></td>
<td><strong>546,049</strong></td>
</tr>
<tr>
<td>Annuity Contracts</td>
<td>179,569</td>
</tr>
<tr>
<td>Endowment Pool</td>
<td>9,649</td>
</tr>
<tr>
<td>Limited Partnership</td>
<td>150</td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td><strong>$735,417</strong></td>
</tr>
</tbody>
</table>

### Credit Risk
As of June 30, 2010, other investments were rated by Standard and Poor’s as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Other Investments</th>
<th>Investment Type</th>
<th>Value</th>
<th>AAA</th>
<th>AA</th>
<th>A</th>
<th>Unrated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repurchase Agreements</td>
<td>$4,999</td>
<td>$4,999</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State Bonds</td>
<td>42,866</td>
<td>-</td>
<td>42,866</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Guaranteed Investment Contracts</td>
<td>390,651</td>
<td>71,516</td>
<td>216,266</td>
<td>102,869</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Tax Exempt Proceeds Fund</td>
<td>16,203</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>16,203</td>
<td></td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>10,584</td>
<td>11</td>
<td>-</td>
<td>-</td>
<td>10,575</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>465,303</strong></td>
<td><strong>76,526</strong></td>
<td><strong>259,132</strong></td>
<td><strong>102,869</strong></td>
<td><strong>26,776</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Custodial Credit Risk—Bank Deposits (amounts in thousands)
The State maintains its deposits at qualified financial institutions located in the state to reduce its exposure to risk. These institutions are required to maintain, segregated from its other assets, eligible collateral in an amount equal to 10 percent, 25 percent, 100 percent, or 120 percent of its public deposits. The collateral is held in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank. As of June 30, 2010, $786,662 of the bank balance of the Primary Government of $791,904 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized | $707,485
Uninsured and collateral held by trust department of either the pledging bank or another bank not in the name of the State | $79,177
Total | **$786,662**

### Component Units
The Connecticut Housing Finance Authority (CHFA) and the Connecticut Health and Education Facilities Authority (CHEFA) reported the following investments and maturities as of 12-31-09 and 6-30-10, respectively (amounts in thousands):

<table>
<thead>
<tr>
<th>Major Component Units</th>
<th>Investment Maturities (in years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Type</td>
<td>Fair Value</td>
</tr>
<tr>
<td>Collateralized Mortgage Obligations</td>
<td>$1,247</td>
</tr>
<tr>
<td>Corporate Finance Bonds</td>
<td>5,428</td>
</tr>
<tr>
<td>Federated Funds</td>
<td>868</td>
</tr>
<tr>
<td>Fidelity Tax Exempt Fund</td>
<td>17,773</td>
</tr>
<tr>
<td>GNMA Program Assets</td>
<td>936,829</td>
</tr>
<tr>
<td>Guaranteed Investment Contracts</td>
<td>36,241</td>
</tr>
<tr>
<td>Mortgage Backed Securities</td>
<td>2,403</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>4,555</td>
</tr>
<tr>
<td>U.S. Government Securities</td>
<td>2,262</td>
</tr>
<tr>
<td>Structured Securities</td>
<td>685</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>412,676</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,420,967</strong></td>
</tr>
</tbody>
</table>
The CHFA and the CHEFA own 68.3 percent and 31.7 percent of the above investments, respectively. GNMA Program Assets represent securitized home mortgage loans of CHFA which are guaranteed by the Government National Mortgage Association.

**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.

**CHEFA**

The Authority manages its exposure to this risk by designing its portfolio of unrestricted investments with the objective of regularly exceeding the average return of 90 day U.S. Treasury Bills. This is considered to be a benchmark for riskless investment transactions and therefore represents a minimum standard for the portfolio’s rate of return. The Authority’s policy as it relates to restricted investments provides that all restricted accounts be invested in strict accordance with the bond issue trust indentures, with the above policy and with applicable Connecticut State Law.

**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 CIFS, and other obligations which are legal investments for savings banks in the state. Repurchase agreements, certificate of deposits, and the Federated and Fidelity Funds are fully collateralized by obligations issued by the United States Government or its agencies. Mortgage Backed Securities are fully collateralized by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association, and Collateralized Mortgage Obligations are fully collateralized by the United States Department of Housing and Urban Development mortgage pools.

**CHEFA**

The Authority has an investment policy that would further limit its investment choices beyond those limited by state statutes for both unrestricted and restricted investments. For example, investments that may be purchased by the Authority with the written approval of an officer, provided that the investment has a maturity of one year or less, are as follows: obligations issued or guaranteed by the U.S. Government, including FDIC; qualified money market funds investing in short-term securities as permitted by the Authority’s enabling legislation; State’s Short-Term Investment Fund (STIF) provided it maintains a “AAA” rating by Standard and Poor’s; and qualified repurchase agreements secured by obligations issued or guaranteed by the U.S. Government.

CHFA’s and CHEFA’s investments were rated as of 12-31-09 and 6-30-10, respectively, as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Component Units</th>
<th>Fair Value</th>
<th>AAA</th>
<th>AA</th>
<th>BBB</th>
<th>D</th>
<th>Unrated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collateralized Mortgage Obligations</td>
<td>$1,247</td>
<td>$</td>
<td>$1,247</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Corporate Finance Bonds</td>
<td>5,428</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Federated Funds</td>
<td>868</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>868</td>
</tr>
<tr>
<td>Fidelity Tax Exempt Fund</td>
<td>17,773</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>17,773</td>
</tr>
<tr>
<td>GNMA Assets</td>
<td>936,829</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>936,829</td>
</tr>
<tr>
<td>Guaranteed Investment Contracts</td>
<td>36,241</td>
<td>36,241</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mortgage Backed Securities</td>
<td>2,403</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,403</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>4,555</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,555</td>
</tr>
<tr>
<td>Structured Securities</td>
<td>685</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>685</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>412,676</td>
<td>412,676</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$1,418,705</td>
<td>412,676</td>
<td>37,488</td>
<td>5,428</td>
<td>685</td>
<td>962,428</td>
</tr>
</tbody>
</table>

**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, 2010, the Authority had no investments in any one issuer that represents 5 percent or more of total investments, other than investments guaranteed by the U.S. Government (GNMA Program Assets).

**CHEFA**

For unrestricted investments, the Authority places limits on the amount of investment in any one issuer. No issuer other than the United States Treasury or the State’s Short-Term Investment Fund shall constitute greater than 5 percent of unrestricted investments, except for qualified money market or mutual bond funds, none of which shall constitute greater than 50 percent of general fund investments. At year end, the Authority was in compliance with this policy. The Authority places no limit on the amount of investments in any one issuer for restricted investments. At year end, the Authority’s guaranteed investment contracts with Trinity Funding LLC exceeded 5 percent of the Authority’s portfolio.

**Security Lending Transactions**

Certain of the Combined Investment Funds are permitted by State Statute to engage in security lending transactions to provide incremental returns to the funds. The funds’ master custodian is authorized to lend available securities to authorized broker-dealers and banks subject to a form loan agreement.

During the year, the master custodian lent certain securities and received cash or other collateral as indicated on the Securities Lending Authorization Agreement. The master custodian 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 100 percent of the market value of the loaned securities.
According to the Agreement, the master custodian 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 and 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 exposure to borrowers because the value of the collateral held and the market value of securities on loan were $2,830.3 million and $2,751.0 million, respectively.

Under normal circumstances, the average duration of collateral investments is managed so that it will not exceed (a) 120 days or (b) the average duration of the loans by more than 45 days. If any of these limits is exceeded for any 3-day period, the Trustee shall take certain actions. At year end, the average duration of the collateral investments was 25.9 days; the average duration of the loans was unknown, although it is assumed to remain at 1 day.

**Note 5 Receivables-Current**

As of June 30, 2010, current receivables consisted of the following (amounts in thousands):

<table>
<thead>
<tr>
<th>Primary Government</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts</td>
<td>1,019,504</td>
<td>567,175</td>
<td>29,099</td>
</tr>
<tr>
<td>Loans-CURRENT Portion</td>
<td>-</td>
<td>303,066</td>
<td>21,327</td>
</tr>
<tr>
<td>Other Governments</td>
<td>971,554</td>
<td>23,165</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>1,337</td>
<td>12,679</td>
<td>618</td>
</tr>
<tr>
<td>Other (1)</td>
<td>19,898</td>
<td>4,721</td>
<td>546</td>
</tr>
<tr>
<td>Total Receivables</td>
<td>3,225,230</td>
<td>910,806</td>
<td>51,590</td>
</tr>
<tr>
<td>Allowance for Uncollectibles</td>
<td>(951,180)</td>
<td>(90,248)</td>
<td>(2,391)</td>
</tr>
<tr>
<td>Receivables, Net</td>
<td>$ 2,274,050</td>
<td>$ 820,558</td>
<td>$ 49,199</td>
</tr>
</tbody>
</table>

(1) Includes a reconciling amount of $19,898 from fund financial statements to government-wide financial statements.

**Note 6 Taxes Receivable**

Taxes receivable consisted of the following as of June 30, 2010 (amounts in thousands):

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>General Fund</th>
<th>Transportation Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and Use</td>
<td>541,466</td>
<td>-</td>
<td>541,466</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>367,087</td>
<td>-</td>
<td>367,087</td>
</tr>
<tr>
<td>Corporations</td>
<td>39,522</td>
<td>-</td>
<td>39,522</td>
</tr>
<tr>
<td>Gasoline and Special Fuel</td>
<td>-</td>
<td>43,091</td>
<td>43,091</td>
</tr>
<tr>
<td>Various Others</td>
<td>221,771</td>
<td>-</td>
<td>221,771</td>
</tr>
<tr>
<td>Total Taxes Receivable</td>
<td>1,169,946</td>
<td>43,091</td>
<td>1,212,937</td>
</tr>
<tr>
<td>Allowance for Uncollectibles</td>
<td>(190,630)</td>
<td>-</td>
<td>(190,630)</td>
</tr>
<tr>
<td>Taxes Receivable, Net</td>
<td>$ 979,216</td>
<td>$ 43,091</td>
<td>$ 1,022,307</td>
</tr>
</tbody>
</table>

**Note 7 Receivables-Noncurrent**

Noncurrent receivables for the primary government and its component units, as of June 30, 2010, consisted of the following (amounts in thousands):

<table>
<thead>
<tr>
<th>Primary Government</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts</td>
<td>-</td>
<td>-</td>
<td>$ 16,584</td>
</tr>
<tr>
<td>Loans</td>
<td>256,463</td>
<td>622,817</td>
<td>169,174</td>
</tr>
<tr>
<td>Total Receivables</td>
<td>256,463</td>
<td>622,817</td>
<td>185,758</td>
</tr>
<tr>
<td>Allowance for Uncollectibles</td>
<td>(2,706)</td>
<td>(2,810)</td>
<td>(11,291)</td>
</tr>
<tr>
<td>Receivables, Net</td>
<td>$ 253,757</td>
<td>$ 620,007</td>
<td>$ 174,467</td>
</tr>
</tbody>
</table>

The Clean Water fund (business-type activities) loans funds to qualified municipalities for planning, design, and construction of water quality projects. These loans are payable over a 20 year period at an annual interest rate of 2 percent and are secured by the full faith and credit or revenue pledges of the municipalities, or both. At year end, the noncurrent portion of loans receivable was $538.4 million.

The Connecticut Higher Education Supplemental Loan Authority (a component unit) makes loans to individuals from the proceeds of bonds issued by the Authority. The loans bear interest rates ranging from 0 percent to 9.7 percent. At year end, the noncurrent portion of loans receivable was $106.7 million.

**Note 8 Restricted Assets**

Restricted assets are defined as resources that are restricted by legal or contractual requirements. As of June 30, 2010, restricted assets were comprised of the following (amounts in thousands):

<table>
<thead>
<tr>
<th>Total</th>
<th>Cash &amp; Cash Equivalents</th>
<th>Loans, Net of Allowances</th>
<th>Other</th>
<th>Restricted Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Governmental Activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>$ 687,752</td>
<td>-</td>
<td>-</td>
<td>$ 687,752</td>
</tr>
<tr>
<td>Environmental</td>
<td>3,449</td>
<td>-</td>
<td>-</td>
<td>3,449</td>
</tr>
<tr>
<td>Total-Governmental Activities</td>
<td>$ 691,201</td>
<td>-</td>
<td>-</td>
<td>691,201</td>
</tr>
<tr>
<td>Business-Type Activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bradley International Airport</td>
<td>$ 90,821</td>
<td>$ 13,258</td>
<td>-</td>
<td>$ 106,304</td>
</tr>
<tr>
<td>UConn Health Center</td>
<td>152,322</td>
<td>-</td>
<td>5,258</td>
<td>157,580</td>
</tr>
<tr>
<td>Clean Water</td>
<td>67,543</td>
<td>306,220</td>
<td>-</td>
<td>373,763</td>
</tr>
<tr>
<td>Other Proprietary</td>
<td>37,838</td>
<td>26,302</td>
<td>-</td>
<td>64,140</td>
</tr>
<tr>
<td>Total-Business-Type Activities</td>
<td>$ 348,524</td>
<td>$ 345,780</td>
<td>-</td>
<td>$ 701,287</td>
</tr>
<tr>
<td>Component Units:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHFA</td>
<td>$ 666,467</td>
<td>$ 952,027</td>
<td>3,373,682</td>
<td>$ 332,409</td>
</tr>
<tr>
<td>CHEFA</td>
<td>461,702</td>
<td>-</td>
<td>461,806</td>
<td></td>
</tr>
<tr>
<td>Other Component Units</td>
<td>113,316</td>
<td>25,115</td>
<td>-</td>
<td>147,144</td>
</tr>
<tr>
<td>Total-Component Units:</td>
<td>$ 1,241,485 $ 977,142</td>
<td>$ 3,373,682</td>
<td>$ 332,226</td>
<td>$ 5,924,535</td>
</tr>
</tbody>
</table>

71
Note 9 Current Liabilities

a. Accounts Payable and Accrued Liabilities

As of June 30, 2010, accounts payable and accrued liabilities consisted of the following (amounts in thousands):

<table>
<thead>
<tr>
<th>Total Payables &amp; Accrued Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Activities:</td>
</tr>
<tr>
<td>Vendors $121,988</td>
</tr>
<tr>
<td>Transportation $15,376</td>
</tr>
<tr>
<td>Other Governmental $202,001</td>
</tr>
<tr>
<td>Internal Service $2,325</td>
</tr>
<tr>
<td>Reconciling amount from fund financial statements to government-wide financial statements $ -</td>
</tr>
<tr>
<td>Total-Governmental Activities $341,690</td>
</tr>
<tr>
<td>Business-Type Activities:</td>
</tr>
<tr>
<td>UConn/Health Center $30,448</td>
</tr>
<tr>
<td>State Universities $9,993</td>
</tr>
<tr>
<td>Other Proprietary $20,162</td>
</tr>
<tr>
<td>Total-Business-Type Activities $60,603</td>
</tr>
<tr>
<td>Component Units:</td>
</tr>
<tr>
<td>CHFA $ -</td>
</tr>
<tr>
<td>Other Component Units $2,739</td>
</tr>
<tr>
<td>Total-Component Units $2,739</td>
</tr>
</tbody>
</table>

b. Notes Payable

Notes payable consist of the short-term portion of Bond Anticipation Notes as described in Note 18. The activity for the notes for the year ended June 30, 2010 was as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Beginning</th>
<th>Ending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>Additions</td>
</tr>
<tr>
<td>Bond Anticipation Notes $353,085</td>
<td>-</td>
</tr>
</tbody>
</table>

Note 10 Capital Assets

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

<table>
<thead>
<tr>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Assets not being Depreciated:</td>
</tr>
<tr>
<td>Land $1,393,950</td>
</tr>
<tr>
<td>Construction in Progress $1,352,502</td>
</tr>
<tr>
<td>Total Capital Assets not being Depreciated $2,746,452</td>
</tr>
<tr>
<td>Other Capital Assets:</td>
</tr>
<tr>
<td>Buildings $2,882,181</td>
</tr>
<tr>
<td>Improvements Other than Buildings $470,170</td>
</tr>
<tr>
<td>Equipment $1,750,385</td>
</tr>
<tr>
<td>Infrastructure $6,457,874</td>
</tr>
<tr>
<td>Total Other Capital Assets at Historical Cost $17,369,199</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation For:</td>
</tr>
<tr>
<td>Buildings $1,673,310</td>
</tr>
<tr>
<td>Improvements Other than Buildings $248,286</td>
</tr>
<tr>
<td>Equipment $1,541,821</td>
</tr>
<tr>
<td>Infrastructure $6,457,874</td>
</tr>
<tr>
<td>Total Accumulated Depreciation $9,921,291</td>
</tr>
<tr>
<td>Other Capital Assets, Net $7,447,908</td>
</tr>
<tr>
<td>Governmental Activities, Capital Assets, Net $10,194,360</td>
</tr>
</tbody>
</table>

(1) Restated - See Note No. 23

* Depreciation expense was charged to functions as follows:

Governmental Activities:

- Legislative $5,879
- General Government 49,749
- Regulation and Protection 32,794
- Conservation and Development 15,279
- Health and Hospitals 14,656
- Transportation 652,918
- Human Services 2,207
- Education, Libraries and Museums 41,731
- Corrections 49,909
- Judicial 23,111

Capital assets held by the government’s internal service funds are charged to the various functions based on the usage of the assets 16,861

Total Depreciation Expense $905,094
Business-Type Activities

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Retirements</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Assets not being Depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$ 59,628</td>
<td>$ -</td>
<td>$ 1</td>
<td>$ 59,627</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>193,135</td>
<td>99,765</td>
<td>98,760</td>
<td>194,140</td>
</tr>
<tr>
<td>Total Capital Assets not being Depreciated</td>
<td>252,763</td>
<td>99,765</td>
<td>98,761</td>
<td>253,767</td>
</tr>
<tr>
<td>Capital Assets being Depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>3,783,753</td>
<td>161,517</td>
<td>1,579</td>
<td>3,943,691</td>
</tr>
<tr>
<td>Improvements Other Than Buildings</td>
<td>494,703</td>
<td>25,244</td>
<td>447</td>
<td>519,500</td>
</tr>
<tr>
<td>Equipment</td>
<td>939,157</td>
<td>58,901</td>
<td>39,840</td>
<td>958,218</td>
</tr>
<tr>
<td>Total Other Capital Assets at Historical Cost</td>
<td>5,217,613</td>
<td>245,662</td>
<td>41,866</td>
<td>5,421,409</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation For:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>1,291,005</td>
<td>123,917</td>
<td>823</td>
<td>1,414,099</td>
</tr>
<tr>
<td>Improvements Other Than Buildings</td>
<td>243,430</td>
<td>21,920</td>
<td>447</td>
<td>265,306</td>
</tr>
<tr>
<td>Equipment</td>
<td>584,386</td>
<td>68,100</td>
<td>38,239</td>
<td>614,247</td>
</tr>
<tr>
<td>Total Accumulated Depreciation</td>
<td>2,118,821</td>
<td>213,937</td>
<td>39,106</td>
<td>2,293,652</td>
</tr>
<tr>
<td>Other Capital Assets, Net</td>
<td>3,098,792</td>
<td>31,725</td>
<td>2,760</td>
<td>3,127,757</td>
</tr>
<tr>
<td>Business-Type Activities, Capital Assets, Net</td>
<td>$ 3,351,555</td>
<td>$ 131,490</td>
<td>$ 101,521</td>
<td>$ 3,381,524</td>
</tr>
</tbody>
</table>

Component Units

Capital assets of the component units consisted of the following as of June 30, 2010 (amounts in thousands):

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$ 29,031</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>320,700</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvements other than Buildings</td>
<td>3,067</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>415,139</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>14,670</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Capital Assets</td>
<td>782,607</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(353,954)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Assets, net</td>
<td>$ 428,653</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note 11 State Retirement Systems
The State sponsors three major public employee retirement systems: the State Employees’ Retirement System (SERS)-consisting of Tier I (contributory), Tier II (noncontributory) and Tier IIA (contributory), the Teachers’ Retirement System (TRS), and the Judicial Retirement System (JRS).

The State Comptroller’s Retirement Division under the direction of the Connecticut State Employees Retirement Division administers SERS and JRS. The Teachers’ Retirement Board administers TRS. None of the above mentioned systems issue stand-alone financial reports. However, financial statements for SERS, TRS, and JRS are presented in Note No. 13.

Plan Descriptions and Funding Policy
Membership of each plan consisted of the following at the date of the latest actuarial evaluation:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirees and beneficiaries</td>
<td>41,782</td>
<td>30,493</td>
<td>212</td>
</tr>
<tr>
<td>Terminated plan members entitled to but not yet receiving benefits</td>
<td>1,602</td>
<td>1,315</td>
<td>2</td>
</tr>
<tr>
<td>Active plan members</td>
<td>50,064</td>
<td>51,368</td>
<td>230</td>
</tr>
<tr>
<td>Total</td>
<td>93,448</td>
<td>83,176</td>
<td>444</td>
</tr>
</tbody>
</table>

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

Funding Policy
The contribution requirements of plan members and the State are established and may be amended by the State legislature. Tier I Plan B regular and Hazardous Duty members are required to contribute 2 percent and 4 percent of their annual salary, respectively, up to the Social Security Taxable Wage Base plus 5 percent above that level; Tier I Plan C members are required to contribute 5 percent of their annual salary; Tier II Plan Hazardous Duty members are required to contribute 4 percent of their annual salary; Tier IIA Plan regular and Hazardous Duty members are required to contribute 2 percent and 5 percent of their annual salary, respectively. The State is required to contribute at an actuarially determined rate. Administrative costs of the plan are funded by the State. During fiscal year 2010, the State reduced the annual required contribution to the plan by $176.9 million to help reduce the deficit of the State’s General fund.

Teachers’ Retirement System
Plan Description
TRS is a single-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 10-183pp of the General Statutes. The plan provides retirement,
disability, and death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.

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

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

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

Annual Pension Cost and Net Pension Obligation
The State’s annual pension cost and net pension obligation for each plan for the current year were as follows (amounts in thousands):

- SERS 2008: Annual required contribution $897,428, interest on net pension obligation $213,181, adjustment to annual required contribution $157,856, annual pension cost $952,753, contributions made $720,527, increase (decrease) in net pension obligation $232,226, net pension obligation (asset) beginning of year $2,508,005, net pension obligation (asset) end of year $2,740,231.
- TRS 2008: Annual required contribution $559,224, interest on net pension obligation $41,428, adjustment to annual required contribution $35,358, annual pension cost $553,154, contributions made $559,224, increase (decrease) in net pension obligation $6,070, net pension obligation (asset) beginning of year $15,399, net pension obligation (asset) end of year $15,449.
- JRS 2008: Annual required contribution $179.7, interest on net pension obligation $276.8, adjustment to annual required contribution $97.1, annual pension cost $248.6.

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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Annual Pension Cost (APC)</th>
<th>Percentage of APC Contributed</th>
<th>Net Pension Obligation (Asset)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERS 2008</td>
<td>$776,227</td>
<td>91.7%</td>
<td>$2,596,999</td>
</tr>
<tr>
<td>2009</td>
<td>$810,776</td>
<td>86.3%</td>
<td>$2,508,005</td>
</tr>
<tr>
<td>2010</td>
<td>$952,753</td>
<td>75.6%</td>
<td>$2,740,231</td>
</tr>
<tr>
<td>TRS 2008</td>
<td>$542,508</td>
<td>464.2%</td>
<td>$(480,510)</td>
</tr>
<tr>
<td>2009</td>
<td>$533,423</td>
<td>101.3%</td>
<td>$(487,390)</td>
</tr>
<tr>
<td>2010</td>
<td>$553,154</td>
<td>101.1%</td>
<td>$(493,460)</td>
</tr>
<tr>
<td>JRS 2008</td>
<td>$13,435</td>
<td>100%</td>
<td>$48</td>
</tr>
<tr>
<td>2009</td>
<td>$14,174</td>
<td>100%</td>
<td>$49</td>
</tr>
<tr>
<td>2010</td>
<td>$15,400</td>
<td>0%</td>
<td>$15,449</td>
</tr>
</tbody>
</table>

Funded Status and Funding Progress
The following is funded status information for each plan as of June 30, 2010 the most recent actuarial valuation date (amounts in millions):

<table>
<thead>
<tr>
<th>Plan</th>
<th>Value of Assets (a)</th>
<th>Accrued Liability (AAL) (b)</th>
<th>Net Pension Obligation (c)</th>
<th>Percentage of Covered Payroll (d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERF</td>
<td>9,349.6</td>
<td>21,054.2</td>
<td>11,704.6</td>
<td>44.4%</td>
</tr>
<tr>
<td>TRF</td>
<td>14,430.2</td>
<td>23,495.9</td>
<td>9,065.7</td>
<td>61.4%</td>
</tr>
<tr>
<td>JRF</td>
<td>179.7</td>
<td>276.8</td>
<td>97.1</td>
<td>64.9%</td>
</tr>
</tbody>
</table>

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions
The following is information as of the most recent actuarial valuation:

- Valuation Date: 6/30/2010
- Actuarial Cost Method: Projected unit credit
- Amortization Method: Level percent of payroll, closed
- Remaining Amortization Period: 21 years
- Asset Valuation Method: 5-year smoothed market
- Actuarial Assumptions:
  - Investment Rate of Return: 8.25%
  - Projected Salary Increases: 4.0%-7.5%
  - Increases inflation at: 4.0%
  - Cost-of-Living Adjustments: 2.0%-3.0%

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

Unclassified employees at any of the units of the Connecticut State System of Higher Education are eligible to participate in the plan. Plan members are required to contribute 5 percent of their annual salaries. The State is required to contribute 8 percent of covered salary. During the year, plan members and the State contributed $35.5 million and $24.6 million, respectively.

Note 12 Other Retirement Systems Administered by the State of Connecticut
The State acts solely as the administrator and custodian of the assets of the Connecticut Municipal Employees’ Retirement System (CMERS) and the Connecticut Probate Judges and Employees Retirement System (CPJERS). 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 CMERS and CPJERS are presented in Note No. 13.

Plan Descriptions and Contribution Information
Membership of each plan consisted of the following at the date of the latest actuarial valuation:

<table>
<thead>
<tr>
<th></th>
<th>CMERS</th>
<th>CPJERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/1/2010</td>
<td>5,705</td>
<td>288</td>
</tr>
<tr>
<td>12/31/2009</td>
<td>720</td>
<td>22</td>
</tr>
<tr>
<td>Active plan members</td>
<td>8,579</td>
<td>412</td>
</tr>
<tr>
<td>Total</td>
<td>15,004</td>
<td>722</td>
</tr>
<tr>
<td>Number of participating employers</td>
<td>186</td>
<td>1</td>
</tr>
</tbody>
</table>

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

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

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

Note 13 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.

<table>
<thead>
<tr>
<th>Assets</th>
<th>State Employees'</th>
<th>State Teachers'</th>
<th>Judicial</th>
<th>Connecticut Municipal Employees'</th>
<th>Probate Judges'</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ -</td>
<td>$ 1,095</td>
<td>$ 1</td>
<td>$ -</td>
<td>$ 33</td>
<td>$ 234</td>
<td>$ 1,363</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts, Net of Allowances</td>
<td>2,088</td>
<td>8,939</td>
<td>7</td>
<td>7,409</td>
<td>5</td>
<td>-</td>
<td>18,448</td>
</tr>
<tr>
<td>From Other Governments</td>
<td>-</td>
<td>2,219</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,219</td>
</tr>
<tr>
<td>From Other Funds</td>
<td>(8)</td>
<td>(7)</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>(14)</td>
</tr>
<tr>
<td>Interest</td>
<td>28</td>
<td>49</td>
<td>1</td>
<td>7</td>
<td>-</td>
<td>-</td>
<td>85</td>
</tr>
<tr>
<td>Investments</td>
<td>7,789,607</td>
<td>12,273,555</td>
<td>149,775</td>
<td>1,470,621</td>
<td>71,821</td>
<td>991</td>
<td>21,756,370</td>
</tr>
<tr>
<td>Securities Lending Collateral</td>
<td>979,674</td>
<td>1,518,160</td>
<td>27,783</td>
<td>248,333</td>
<td>12,191</td>
<td>172</td>
<td>2,786,313</td>
</tr>
<tr>
<td>Total Assets</td>
<td>8,771,389</td>
<td>13,804,010</td>
<td>177,567</td>
<td>1,726,371</td>
<td>84,050</td>
<td>1,397</td>
<td>24,564,784</td>
</tr>
</tbody>
</table>

| Liabilities                |                  |                 |          |                                 |                 |       |           |
| Accounts Payable and Accrued Liabilities | 15 | - | - | - | - | 15 |
| Securities Lending Obligation | 979,674 | 1,518,160 | 27,783 | 248,333 | 12,191 | 172 | 2,786,313 |
| Due to Other Funds          | 358              | 1,520           | -        | 131                             | -               | -     | 2,009     |
| Total Liabilities           | 980,047          | 1,519,680       | 27,783   | 248,464                         | 12,191          | 172   | 2,788,337 |

Net Assets
Held in Trust For Employee
Pension Benefits 7,791,342 12,284,330 149,784 1,477,907 71,859 1,225 21,776,447
Total Net Assets $7,791,342 $12,284,330 $149,784 $1,477,907 $71,859 $1,225 $21,776,447
Note 14 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). SEOPEBP is administered by the State Comptroller (Healthcare Policy and Benefit Division), and RTHP is administered by the Teachers’ Retirement Board. None of these plans issues stand-alone financial statements. However, financial statements for these plans are presented in Note No. 15.

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.

Plan Funding

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

As of June 30, 2010, the latest actuarial valuation for the plan was dated April 1, 2008. This valuation disclosed that the plan had an unfunded accrued liability of $26.6 billion as of that date. Because of the date of the actuarial valuation, required disclosures for the plan on funded status, funding progress, and actuarial methods and assumptions could not be made in this note.

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 10-183 of the General Statutes. As of June 30, 2010 (date of the latest actuarial valuation), the plan had 33,151 retirees and beneficiaries receiving benefits.

Plan Funding

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

Annual OPEB Cost and Net OPEB Obligation

The State’s annual OPEB cost and the net OPEB obligation for each plan for the current fiscal year were as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Plan</th>
<th>Contributions</th>
<th>Interest on Net OPEB Obligation</th>
<th>Adjustment to Annual Required Contribution</th>
<th>Annual OPEB Cost</th>
<th>Contributions Made</th>
<th>Increase in net OPEB Obligation</th>
<th>Net OPEB Obligation - Beginning of Year</th>
<th>Net OPEB Obligation - End of Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SEOPEBP</strong></td>
<td>$2,145,724</td>
<td>12,719</td>
<td>191,220</td>
<td>2,349,663</td>
<td>555,131</td>
<td>1,794,532</td>
<td>2,356,334</td>
<td>$4,150,866</td>
</tr>
<tr>
<td><strong>RTHP</strong></td>
<td>$121,334</td>
<td>897</td>
<td>(6,910)</td>
<td>115,321</td>
<td>102,213</td>
<td>186,624</td>
<td>289,837</td>
<td>$21,776,447</td>
</tr>
</tbody>
</table>
In addition, other related information for each plan for the past three fiscal years was as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Annual OPEB Cost (b)</th>
<th>Percentage of Annual OPEB Cost Contributed (c)</th>
<th>Net OPEB Obligation (d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEOEBP</td>
<td>2010</td>
<td>$2,349,663</td>
<td>23.6%</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>$1,669,321</td>
<td>27.1%</td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>$1,602,739</td>
<td>28.9%</td>
</tr>
<tr>
<td>RTHP</td>
<td>2010</td>
<td>$115,321</td>
<td>10.5%</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>$113,704</td>
<td>19.7%</td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>$116,123</td>
<td>17.9%</td>
</tr>
</tbody>
</table>

**Funded Status and Funding Progress**

The following is funded status information for the RTHP as of June 30, 2010, date of the latest actuarial valuation (amounts in million):

| Actuarial Value of Accrued Liabilities (AAL) (UAAL) Ratio Payroll Covered Percentage of UAAL as a Covered Obligation |
|---------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|
|attiual Methods and Assumptions:                             | Actuarial Assumptions:                                      | Actuarial Valuation Date                                      | 6-30-2010                                                                  |
| Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the State and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the State and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows: |
| Actuarial Valuation Date                                      | 6-30-2010                                                                  |
| Actuarial Cost Method                                        | Individual Entry Age                                                   |
| Amortization Method                                          | Level Percent Open                                                      |
| Remaining Amortization Period                                | 29 Years                                                                  |
| Asset Valuation Method                                       | n/a                                                                       |
| Actuarial Assumptions:                                      | Investment Rate of Return: 4.50%                                      |
| Projected Salary Increases:                                 | 4.0%-7.5%                                                                |
| Healthcare Inflation Rate:                                  | 9% Initial, 5% Ultimate                                                  |

**Other OPEB Plan**

The State acts solely as the administrator and custodian of the assets of the Policemen and Firemen Survivors' Benefit Fund (PFSBF). The State makes no contribution to and has only a fiduciary responsibility for this fund. The fund does not issue stand-alone financial statements. However, financial statements for this fund are presented in Note No. 15.

**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 6/30/10 there were 8 municipalities participating in the plan with a total membership of 610 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 15 OPEB Trust Fund 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 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.

<table>
<thead>
<tr>
<th>Statement of Fiduciary Net Assets (000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Employees'</td>
</tr>
<tr>
<td>Assets</td>
</tr>
<tr>
<td>Receivables</td>
</tr>
<tr>
<td>From Other Funds</td>
</tr>
<tr>
<td>Investments</td>
</tr>
<tr>
<td>Securities Lending Collateral</td>
</tr>
<tr>
<td>Total Assets</td>
</tr>
<tr>
<td>Liabilities</td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
</tr>
<tr>
<td>Securities Lending Obligation</td>
</tr>
<tr>
<td>Total Liabilities</td>
</tr>
<tr>
<td>Net Assets</td>
</tr>
</tbody>
</table>

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Connecticut

Statement of Changes in Fiduciary Net Assets (000's)

<table>
<thead>
<tr>
<th></th>
<th>State Employees'</th>
<th>Retired Teachers'</th>
<th>Policemen and Firemen</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Additions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan Members</td>
<td>$ -</td>
<td>$ 71,946</td>
<td>$ 452</td>
<td>$ 72,398</td>
</tr>
<tr>
<td>State</td>
<td>555,131</td>
<td>12,108</td>
<td>-</td>
<td>567,239</td>
</tr>
<tr>
<td>Municipalities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Contributions</strong></td>
<td>555,131</td>
<td>84,054</td>
<td>453</td>
<td>639,638</td>
</tr>
<tr>
<td>Investment Income</td>
<td>177</td>
<td>181</td>
<td>2,140</td>
<td>2,498</td>
</tr>
<tr>
<td>Less: Investment Expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Investment Income</strong></td>
<td>177</td>
<td>181</td>
<td>2,071</td>
<td>2,429</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Additions</strong></td>
<td>555,308</td>
<td>84,235</td>
<td>2,524</td>
<td>642,067</td>
</tr>
<tr>
<td><strong>Deductions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative Expense</td>
<td>-</td>
<td>1,771</td>
<td>-</td>
<td>1,771</td>
</tr>
<tr>
<td>Benefit Payments and Refunds</td>
<td>544,313</td>
<td>81,604</td>
<td>908</td>
<td>626,825</td>
</tr>
<tr>
<td><strong>Total Deductions</strong></td>
<td>544,313</td>
<td>83,375</td>
<td>908</td>
<td>628,596</td>
</tr>
<tr>
<td>Changes in Net Assets</td>
<td>10,995</td>
<td>860</td>
<td>1,616</td>
<td>13,471</td>
</tr>
<tr>
<td><strong>Net Assets Held in Trust For Other Postemployment Benefits:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of Year (as restated):</td>
<td>$24,661</td>
<td>65,654</td>
<td>17,818</td>
<td>108,133</td>
</tr>
<tr>
<td>End of Year</td>
<td>$ 35,656</td>
<td>$ 66,514</td>
<td>$ 19,434</td>
<td>$ 121,604</td>
</tr>
</tbody>
</table>

Note 16 Capital and Operating Leases

**State as Lessor**

The State leases building space, land, and equipment to private individuals. The minimum future lease revenues for the next five years and thereafter are as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Year</th>
<th>Minimum Future Lease Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$ 29,987</td>
</tr>
<tr>
<td>2012</td>
<td>19,119</td>
</tr>
<tr>
<td>2013</td>
<td>19,012</td>
</tr>
<tr>
<td>2014</td>
<td>19,142</td>
</tr>
<tr>
<td>2015</td>
<td>19,917</td>
</tr>
<tr>
<td>Thereafter</td>
<td>106,691</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 213,868</td>
</tr>
</tbody>
</table>

Contingent revenues for the year ended June 30, 2010, were $3 million.

**State as Lessee**

Obligations under capital and operating leases as of June 30, 2010, were as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Leases</th>
<th>Noncancelable Operating Leases</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$ 7,855</td>
<td>$ 77,403</td>
</tr>
<tr>
<td>2012</td>
<td>7,300</td>
<td>61,546</td>
</tr>
<tr>
<td>2013</td>
<td>7,168</td>
<td>47,758</td>
</tr>
<tr>
<td>2014</td>
<td>4,008</td>
<td>46,816</td>
</tr>
<tr>
<td>2015</td>
<td>3,157</td>
<td>32,522</td>
</tr>
<tr>
<td>2016-2020</td>
<td>14,537</td>
<td>69,382</td>
</tr>
<tr>
<td>2021-2025</td>
<td>6,135</td>
<td>3,440</td>
</tr>
<tr>
<td>2026-2030</td>
<td>6,103</td>
<td>-</td>
</tr>
<tr>
<td>2031-2035</td>
<td>1,215</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total minimum lease payments</strong></td>
<td>$ 57,478</td>
<td>$ 338,867</td>
</tr>
<tr>
<td><strong>Less: Amount representing interest costs</strong></td>
<td></td>
<td>15,776</td>
</tr>
<tr>
<td><strong>Present value of minimum lease payments</strong></td>
<td>$ 41,702</td>
<td></td>
</tr>
</tbody>
</table>

Minimum capital lease payments were discounted using an interest rate of approximately 6 percent.

Rental payments on noncancelable operating leases charged to expenses during the year ended June 30, 2010, were $77.4 million.

**Lease/Lessee Back Transaction**

On September 30, 2003 the State executed a U.S. Lease-to-Service Contract of Rolling Stock Agreement (Agreement) whereby the state entered into a head lease of certain rolling stock consisting of rail coaches and locomotives to statutory trusts established for the benefit of three equity investors. Simultaneously, the State executed sublease agreements to lease back the rolling stock in order to allow the State to have continued use of the property. The terms of the head leases are for periods ranging from 40 years to 67 years, expiring through March 2071, while the subleases have terms ranging from 18 years to 28 years, expiring through January 2032. At the end of the respective sublease terms, the State will have the option to purchase the statutory trusts’ interest in the rolling stock for an aggregate fixed price.

Proceeds from the prepayment of the head lease rents were paid to debt payment undertakers and custodians in amounts sufficient, together with investment earning thereon, to provide for all future obligations of the State under the sublease agreements and the end of lease term purchase options. Although it is remote that the State will be required to make any additional payments under the sublease, the State is and shall remain liable for all of its obligations under the subleases. The aggregate remaining commitment under the subleases totaled approximately $224 million at June 30, 2010.

The State is obligated to insure and maintain the rolling stock. In addition, if an equity investor suffers a loss of tax deductions or incurs additional taxable income as a result of certain circumstances, as defined in the Agreement, then the State must indemnify the equity investor for the additional tax incurred, including interest and penalties thereon. The State has the right to terminate the sublease early under certain circumstances and upon payment of a termination value to the equity investors. If the State chooses early termination, then the termination value would be paid from funds available from the debt payment undertakers and the custodians, and if such amounts are insufficient, then the State would be required to pay the difference.
Note 17 Long-Term Debt
The following is a summary of changes in long-term debt of the primary government for the year ended June 30, 2010, (amounts in thousands):

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Balance June 30, 2009</th>
<th>Additions</th>
<th>Reductions</th>
<th>Balance June 30, 2010</th>
<th>Amounts due within one year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Obligation</td>
<td>$13,443,525</td>
<td>$1,496,445</td>
<td>$1,347,262</td>
<td>$13,592,708</td>
<td>$1,001,780</td>
</tr>
<tr>
<td>Transportation</td>
<td>2,817,015</td>
<td>549,775</td>
<td>336,305</td>
<td>3,030,485</td>
<td>271,330</td>
</tr>
<tr>
<td></td>
<td>16,260,540</td>
<td>2,046,220</td>
<td>1,683,567</td>
<td>16,623,193</td>
<td>1,273,110</td>
</tr>
<tr>
<td>Plus/(Less) premiums and deferred amounts</td>
<td>420,036</td>
<td>162,227</td>
<td>55,685</td>
<td>526,578</td>
<td>96,017</td>
</tr>
<tr>
<td>Total Bonds</td>
<td>16,680,576</td>
<td>2,208,447</td>
<td>1,739,252</td>
<td>17,149,771</td>
<td>1,369,127</td>
</tr>
<tr>
<td>Long-Term Notes</td>
<td>228,160</td>
<td>1,268,880</td>
<td>353,085</td>
<td>1,143,955</td>
<td>228,160</td>
</tr>
<tr>
<td>Other L/T Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Pension Obligation</td>
<td>2,020,664</td>
<td>1,521,306</td>
<td>1,279,750</td>
<td>2,262,220</td>
<td>-</td>
</tr>
<tr>
<td>Net OPEB Obligation</td>
<td>2,542,958</td>
<td>2,464,984</td>
<td>567,239</td>
<td>4,440,703</td>
<td>-</td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>502,667</td>
<td>28,494</td>
<td>522,978</td>
<td>1,025,645</td>
<td>18,098</td>
</tr>
<tr>
<td>Workers' Compensation</td>
<td>459,778</td>
<td>109,601</td>
<td>108,783</td>
<td>460,596</td>
<td>96,598</td>
</tr>
<tr>
<td>Capital Leases</td>
<td>47,129</td>
<td>-</td>
<td>5,427</td>
<td>41,702</td>
<td>2,198</td>
</tr>
<tr>
<td>Claims and Judgments</td>
<td>43,690</td>
<td>1,739,252</td>
<td>60,289</td>
<td>181,440</td>
<td>31,190</td>
</tr>
<tr>
<td>Liability on Interest Rate Swaps</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contracts Payable &amp; Other</td>
<td>705</td>
<td>-</td>
<td>-</td>
<td>705</td>
<td>-</td>
</tr>
<tr>
<td>Total Other Liabilities</td>
<td>5,617,591</td>
<td>4,170,947</td>
<td>1,971,742</td>
<td>7,816,796</td>
<td>119,011</td>
</tr>
<tr>
<td>Governmental Activities Long-Term Liabilities</td>
<td>$22,526,327</td>
<td>$7,648,274</td>
<td>$4,064,079</td>
<td>$26,110,522</td>
<td>$1,716,298</td>
</tr>
</tbody>
</table>

In prior years, the General and Transportation funds have been used to liquidate other liabilities.

Business-Type Activities
Revenue Bonds $1,601,797 $47,545 $150,965 $1,498,377 $107,953
Plus/(Less) premiums, discounts and deferred amounts 32,282 8,410 (83) 40,775 163
Total Revenue Bonds 1,634,079 55,955 150,882 1,539,152 108,116
Lottery Prizes 203,967 10,714 33,537 181,144 31,190
Compensated Absences 134,649 34,090 21,299 147,440 41,736
Federal Loans Payable - 498,453 - 498,453 -
Other 186,268 26,402 18,757 193,913 22,804
Total Other Liabilities 524,884 569,659 73,593 1,020,950 95,730
Business-Type Long-Term Liabilities $2,158,963 $625,614 $224,475 $2,560,102 $203,846

The liability for claims and judgments (Governmental Activities) includes a pollution remediation liability of approximately $56.2 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.

As of June 30, 2010, long-term debt of component units consisted of the following (amounts in thousands):

<table>
<thead>
<tr>
<th>Long-Term Debt</th>
<th>Balance June 30, 2010</th>
<th>Additions</th>
<th>Amounts due within year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds Payable</td>
<td>$4,489,729 $123,304</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Escrow Deposits</td>
<td>193,105 54,437</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closure of Landfill</td>
<td>54,481 10,243</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to State</td>
<td>14,967</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>4,125 461</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>26,685 434</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$4,783,092 $188,879</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note 18 Long-Term Notes and Bonded Debt
a. Bond Anticipation Notes
As of June 30, 2010, $581.2 million in Bond Anticipation Notes bearing interest rates from 2% to 4% were outstanding. These notes mature on June 11, 2011. Of these notes, $353.1 million were issued in fiscal year 2010 to refund prior year Bond Anticipation Notes in the same amount. These refunding notes are reported as short-term liabilities of Capital Projects and Special Revenue funds.

The $228.1 million portion of the notes was issued in the prior fiscal year. Future amounts needed to pay principal and interest on the prior year bond anticipation notes outstanding at June 30, 2010, were as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30</td>
<td>$228,160</td>
<td>$8,945</td>
<td>$237,105</td>
</tr>
<tr>
<td>Total</td>
<td>$228,160</td>
<td>$8,945</td>
<td>$237,105</td>
</tr>
</tbody>
</table>

b. Economic Recovery Notes
Public Act 09-2 authorized the issuance of $915.8 million of General Obligation Economic Recovery Notes in December, 2009. The notes funded a major part of the deficit in the State’s general fund as reported by the Comptroller to the Governor for the fiscal year ended June 30, 2009. The notes also funded interest due on the notes through June 30, 2011 and pertinent issue costs in accordance with Section 3-115 of the General Statues.
Economic recovery notes outstanding at June 30, 2010 were $915.8 million. The notes mature on various dates through 2016 and bear interest rates from 2.0% to 5.0%.

Future amounts needed to pay principal and interest on economic recovery notes outstanding at June 30, 2010, were as follows:

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$ -</td>
<td>$40,568</td>
<td>$40,568</td>
</tr>
<tr>
<td>2012</td>
<td>167,860</td>
<td>40,568</td>
<td>208,428</td>
</tr>
<tr>
<td>2013</td>
<td>174,570</td>
<td>33,854</td>
<td>208,424</td>
</tr>
<tr>
<td>2014</td>
<td>182,705</td>
<td>25,724</td>
<td>208,429</td>
</tr>
<tr>
<td>2015</td>
<td>191,180</td>
<td>17,146</td>
<td>208,426</td>
</tr>
<tr>
<td>2016</td>
<td>199,380</td>
<td>9,044</td>
<td>208,424</td>
</tr>
<tr>
<td>Total</td>
<td>$915,795</td>
<td>$166,904</td>
<td>$1,082,699</td>
</tr>
</tbody>
</table>

c. 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 that are supported by the full faith and credit of the State. General obligation bonds outstanding and bonds authorized but unissued at June 30, 2010, were as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Purpose of Bonds</th>
<th>Final Maturity Dates</th>
<th>Original Interest Rates</th>
<th>Authorized Amount</th>
<th>Authorized Maturity Dates</th>
<th>Authorized Unissued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Improvements</td>
<td>2010-2030 2.00-7.35%</td>
<td>2,077,503</td>
<td>1,833,025</td>
<td>5,332,322</td>
<td></td>
</tr>
<tr>
<td>School Construction</td>
<td>2010-2029 1.50-6.77%</td>
<td>4,330,584</td>
<td>17,501</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Municipal &amp; Other</td>
<td></td>
<td></td>
<td>3,030,485</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants &amp; Loans</td>
<td>2010-2029 2.00-7.000%</td>
<td>904,959</td>
<td>227,438</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elderly Housing</td>
<td>2011-2029 2.299-6.795%</td>
<td>89,550</td>
<td>25,994</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elimination of Water</td>
<td>2010-2023 3.00-6.75%</td>
<td>247,256</td>
<td>535,246</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Obligation</td>
<td>2010-2022 2.00-6.00%</td>
<td>339,581</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refunding</td>
<td>2014-2022 4.20-6.27%</td>
<td>2,276,578</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension Obligation</td>
<td>2010-2038 3.00-6.75%</td>
<td>1,626,232</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td></td>
<td>3,030,485</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>13,442,781</td>
<td>1,597,219</td>
<td></td>
</tr>
<tr>
<td>Accretion-Various Capital Appreciation Bonds</td>
<td>149,927</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$13,592,708</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Future amounts needed to pay principal and interest on general obligation bonds outstanding at June 30, 2010, were as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1,000,144</td>
<td>700,250</td>
<td>1,700,394</td>
</tr>
<tr>
<td>2012</td>
<td>943,859</td>
<td>638,877</td>
<td>1,582,736</td>
</tr>
<tr>
<td>2013</td>
<td>870,851</td>
<td>577,032</td>
<td>1,447,883</td>
</tr>
<tr>
<td>2014</td>
<td>840,518</td>
<td>523,264</td>
<td>1,363,782</td>
</tr>
<tr>
<td>2015</td>
<td>818,719</td>
<td>473,223</td>
<td>1,291,942</td>
</tr>
<tr>
<td>2016-2020</td>
<td>3,499,297</td>
<td>1,833,025</td>
<td>5,332,322</td>
</tr>
<tr>
<td>2021-2025</td>
<td>2,784,405</td>
<td>1,361,458</td>
<td>4,145,863</td>
</tr>
<tr>
<td>2026-2030</td>
<td>1,989,330</td>
<td>514,101</td>
<td>2,503,431</td>
</tr>
<tr>
<td>2031-2035</td>
<td>691,330</td>
<td>64,008</td>
<td>755,338</td>
</tr>
<tr>
<td>2036-2040</td>
<td>6,655</td>
<td>9,044</td>
<td>16,700</td>
</tr>
<tr>
<td>Total</td>
<td>13,442,781</td>
<td>6,685,890</td>
<td>20,128,671</td>
</tr>
</tbody>
</table>

### Transportation Related Bonds

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

Transportation related bonds outstanding and bonds authorized but unissued at June 30, 2010, were as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Purpose of Bonds</th>
<th>Final Maturity Dates</th>
<th>Original Interest Rates</th>
<th>Authorized Amount</th>
<th>Authorized Unissued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>2010-2029 2.00-6.500%</td>
<td>$3,030,485</td>
<td>$1,626,232</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$3,030,485</td>
<td>$1,626,232</td>
</tr>
</tbody>
</table>

### Variable-Rate Demand Bonds

As of June 30, 2010, variable-rate demand bonds included in bonded debt were as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Bond Type</th>
<th>Outstanding</th>
<th>Issuance</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Tax Obligation</td>
<td>$22,200</td>
<td>1990</td>
<td>2010</td>
</tr>
<tr>
<td>General Obligation</td>
<td>40,000</td>
<td>1997</td>
<td>2014</td>
</tr>
<tr>
<td>General Obligation</td>
<td>100,000</td>
<td>2001</td>
<td>2021</td>
</tr>
<tr>
<td>General Obligation</td>
<td>280,000</td>
<td>2005</td>
<td>2023</td>
</tr>
<tr>
<td>Total</td>
<td>$442,200</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The State entered into various remarketing and standby bond purchase agreements with certain brokerage firms and banks upon the issuance of the bonds.

The bonds were issued bearing a weekly interest rate, which is determined by the State’s remarketing agents. The State has the option of changing at any time the weekly interest rate on the bonds to another interest rate, such as a flexible rate or a daily rate. Bonds bearing interest at the weekly rate are subject to purchase at the option of the bondholder at a purchase price equal to principal plus accrued interest, if any, on a minimum seven days’ notice of tender to the State’s agent. In addition, the bonds are subject to mandatory purchase upon (1) conversion from the weekly interest rate to another interest rate and (2) substitution or expiration of the standby bond purchase agreements. The State’s remarketing agent is responsible for using its best efforts to
remarket bonds properly tendered for purchase by bondholders from time to time. The State is required to pay the remarketing agents a quarterly fee of .05 percent per annum of the outstanding principal amount of the bonds.

The standby bond purchase agreements require the banks to purchase any unremarketed bonds bearing the weekly interest rate for a price not to exceed the amount of bond principal and accrued interest, if any. The State is required to pay the banks a quarterly fee ranging from .11 percent to .15 percent per annum of the outstanding principal amount of the bonds plus interest. These fees would be increased if the credit rating for the bond insurers were to be downgraded, suspended, or withdrawn. The standby bond purchase agreements expire as follows: 1990 STO expires in the year 2010, 1997 GO expires in the year 2014, 2001 GO expires in the year 2015, and 2005 GO expires in the year 2015.

These agreements could be terminated at an earlier date if certain termination events described in the agreements were to occur.

d. Primary Government – Business–Type Activities

Revenue Bonds

Revenue bonds are those bonds that are paid out of resources pledged in the enterprise funds and component units.

Enterprise funds’ revenue bonds outstanding at June 30, 2010, were as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Funds</th>
<th>Final Maturity Dates</th>
<th>Original Interest Rates</th>
<th>Amount Outstanding (000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uconn</td>
<td>2011-2033</td>
<td>2.0-6.6%</td>
<td>$168,167</td>
</tr>
<tr>
<td>State Universities</td>
<td>2011-2036</td>
<td>2.6-6.0%</td>
<td>276,471</td>
</tr>
<tr>
<td>Clean Water</td>
<td>2011-2028</td>
<td>2.5-5.5%</td>
<td>767,817</td>
</tr>
<tr>
<td>Drinking Water</td>
<td>2011-2027</td>
<td>2-5%</td>
<td>54,132</td>
</tr>
<tr>
<td>Bradley International Airport</td>
<td>2011-2033</td>
<td>2.5-5.25%</td>
<td>188,785</td>
</tr>
<tr>
<td>Bradley Parking Garage</td>
<td>2011-2024</td>
<td>6.125-6.6%</td>
<td>43,005</td>
</tr>
</tbody>
</table>

Total Revenue Bonds: $1,498,377

Plus/(Less) premiums, discounts, and deferred amounts:

| Uconn                           | (1,705)              |
| State Universities              | 1,194                |
| Clean Water                     | 38,981               |
| Bradley International Airport   | 143                  |
| Other                           | 2,162                |

Revenue Bonds, net: $1,539,152

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.

Bradley Airport has issued various revenue bonds to finance costs of improvements to the airport. As of June 30, 2010, the following bonds were outstanding:

a) 2004 Airport Revenue Refunding Bonds in the amount of $5.5 million. These bonds were issued in July, 2004, to redeem the 1992 Airport Revenue Refunding Bonds, and are secured by and payable solely from the gross operating revenues generated by the State from the operations of the airport and other receipts, funds or monies pledged in the bond indenture.

b) 2001 Bradley International Airport Revenue Bonds in the amount of $166.3 million and 2001 Bradley International Airport Refunding Bonds in the amount of $17.0 million. Both bond series are secured by and payable solely from the gross operating revenues generated by the state from the operation of the airport and other receipts, funds or monies pledged in the bond indenture.

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.

In 2000, Bradley Parking Garage bonds were issued in the amount of $53.8 million to build a parking garage at the airport.

Future amounts needed to pay principal and interest on revenue bonds outstanding at June 30, 2010, were as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Year Ending June 30, 2010</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$107,952</td>
<td>$67,427</td>
<td>$175,379</td>
</tr>
<tr>
<td>2012</td>
<td>108,387</td>
<td>63,498</td>
<td>171,885</td>
</tr>
<tr>
<td>2013</td>
<td>111,033</td>
<td>58,436</td>
<td>169,469</td>
</tr>
<tr>
<td>2014</td>
<td>97,652</td>
<td>53,702</td>
<td>151,354</td>
</tr>
<tr>
<td>2015</td>
<td>138,107</td>
<td>82,380</td>
<td>220,487</td>
</tr>
<tr>
<td>2016-2020</td>
<td>399,602</td>
<td>172,615</td>
<td>572,217</td>
</tr>
<tr>
<td>2021-2025</td>
<td>326,570</td>
<td>88,004</td>
<td>414,574</td>
</tr>
<tr>
<td>2026-2030</td>
<td>174,099</td>
<td>23,388</td>
<td>197,487</td>
</tr>
<tr>
<td>2031-2035</td>
<td>33,910</td>
<td>2,681</td>
<td>36,591</td>
</tr>
<tr>
<td>2036-2040</td>
<td>1,065</td>
<td>21</td>
<td>1,086</td>
</tr>
</tbody>
</table>

Total: $1,498,377 $ 612,152 $ 2,110,529

e. Component Units

Component units’ revenue bonds outstanding at June 30, 2010, were as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Component Unit</th>
<th>Final Maturity Dates</th>
<th>Original Interest Rates</th>
<th>Amount Outstanding (000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CT Development Authority</td>
<td>2011-2020</td>
<td>4.10-5.250%</td>
<td>$19,225</td>
</tr>
<tr>
<td>CT Housing Finance Authority</td>
<td>2011-2049</td>
<td>0.30-7.125%</td>
<td>4,189,023</td>
</tr>
<tr>
<td>CT Resources Recovery Authority</td>
<td>2011-2016</td>
<td>5.125-5.50%</td>
<td>16,200</td>
</tr>
<tr>
<td>CT Higher Education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplemental Loan Authority</td>
<td>2011-2028</td>
<td>1.70-6.00%</td>
<td>157,035</td>
</tr>
<tr>
<td>Capital City Economic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development Authority</td>
<td>2011-2033</td>
<td>2.50-7.00%</td>
<td>102,681</td>
</tr>
<tr>
<td>UConn Foundation</td>
<td>2011-2029</td>
<td>3.875-5.00%</td>
<td>6,735</td>
</tr>
<tr>
<td>Total Revenue Bonds</td>
<td></td>
<td></td>
<td>4,490,899</td>
</tr>
</tbody>
</table>

Plus/(Less) premiums, discounts, and deferred amounts:

| CDA                           | 10                    |
| CRRA                          | (256)                 |
| CCEDA                         | (327)                 |
| CHESLA                        | (597)                 |

Revenue Bonds, net: $4,489,729
Revenue bonds issued by the component units do not constitute a liability or debt of the State. The State is only contingently liable for those bonds as discussed below.

Connecticut Development Authority’s revenue bonds are issued to finance such projects as the acquisition of land or the construction of buildings, and the purchase and installation of machinery, equipment, and pollution control facilities. The Authority finances these projects through its Self-Sustaining Bond Program and Umbrella Program. As of June 30, 2010, no bonds were outstanding under the Umbrella Program. Bonds issued under the Self-Sustaining Bond Program are discussed in the no-commitment debt section of this note. In addition, the Authority had $19.2 million in general obligation bonds outstanding at year-end. These bonds were issued to finance the lease of an entertainment/sports facility and the purchase of a hockey team.

Connecticut Housing Finance Authority’s revenue bonds are issued to finance the purchase, development and construction of housing for low and moderate-income families and persons throughout the State. The Authority has issued bonds under a bond resolution dated 9/27/72 and an indenture dated 9/25/95. As of December 31, 2009, bonds outstanding under the bond resolution and the indenture were $4,133.6 million and $55.5 million, respectively. According to the bond resolution, the following assets of the Authority are pledged for the payment of the bond principal and interest (1) the proceeds from the sale of bonds, (2) all mortgage repayments with respect to long-term mortgage and construction loans financed from the Authority’s general fund, and (3) all monies and securities of the Authority’s general and capital reserve funds. The capital reserve fund is required to be maintained at an amount at least equal to the amount of principal, sinking fund installments, and interest maturing and becoming due in the next succeeding calendar year ($287.6 million at 12/31/09) on all outstanding bonds. As of December 31, 2009, the Authority has entered into interest rate swap agreements for $994.3 million of its variable rate bonds. Details on these agreements are disclosed under the separately issued audited financial statements of the Authority.

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

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

Each Authority has established special capital reserve funds that secure all the outstanding bonds of the Authority at year-end, except as discussed next. These funds are usually maintained at an amount equal to next year’s bond debt service requirements. The State may be contingently liable to restore any deficiencies that may exist in the funds in any one year in the event that the Authority is unable to do so. For the Connecticut Resources Recovery Authority, the amount of bonds outstanding at year-end that were secured by the special capital reserve funds was $16.2 million.

The Capital City Economic 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 into 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. These bonds are secured by energy fees from the central utility plant and by parking fees subject to the Travelers Indemnity Company parking agreement.

Future amounts needed to pay principal and interest on revenue bonds outstanding at June 30, 2010, were as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Year Ending June 30</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$138,372</td>
<td>$147,588</td>
<td>$285,960</td>
</tr>
<tr>
<td>2012</td>
<td>132,599</td>
<td>141,943</td>
<td>274,542</td>
</tr>
<tr>
<td>2013</td>
<td>140,995</td>
<td>136,539</td>
<td>277,534</td>
</tr>
<tr>
<td>2014</td>
<td>122,592</td>
<td>148,871</td>
<td>271,463</td>
</tr>
<tr>
<td>2015</td>
<td>140,920</td>
<td>130,321</td>
<td>271,241</td>
</tr>
<tr>
<td>2016-2020</td>
<td>733,171</td>
<td>564,947</td>
<td>1,298,118</td>
</tr>
<tr>
<td>2021-2025</td>
<td>779,893</td>
<td>420,174</td>
<td>1,200,067</td>
</tr>
<tr>
<td>2026-2030</td>
<td>793,556</td>
<td>237,673</td>
<td>1,031,229</td>
</tr>
<tr>
<td>2031-2035</td>
<td>759,761</td>
<td>143,980</td>
<td>903,741</td>
</tr>
<tr>
<td>2036-2040</td>
<td>516,830</td>
<td>33,959</td>
<td>550,839</td>
</tr>
<tr>
<td>2041-2045</td>
<td>203,975</td>
<td>2,033</td>
<td>206,008</td>
</tr>
<tr>
<td>2046-2050</td>
<td>28,395</td>
<td>194</td>
<td>28,589</td>
</tr>
<tr>
<td>Total</td>
<td>$4,490,899</td>
<td>2,144,226</td>
<td>6,635,125</td>
</tr>
</tbody>
</table>

No-commitment debt

Under the Self-Sustaining Bond program, the Connecticut Development Authority issues revenue bonds to finance such projects as described previously in the component 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, 2010 were $1,088.6 million.

The Connecticut Resources Recovery Authority has issued several bonds to fund the construction of waste processing facilities by independent contractors/operators. These bonds are payable from a pledge of revenues derived primarily under lease or loan arrangements between the Authority and the operators. Letters of credit secure some of these bonds. The Authority does not become involved in the construction activities or the repayment of the debt (other than the portion allocable to Authority purposes). In the event of a default, neither the authority nor the State guarantees payment of the debt, except for the State contingent liability discussed.

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below. Thus, the assets and liabilities that relate to these bond issues are not included in the Authority’s financial statements. The amount of these bonds outstanding at June 30, 2010 were $78.9 million. Of this amount, $35.4 million was partially secured by a special capital reserve fund.

The Connecticut Health and Educational Facilities Authority has issued special obligation bonds for which the principal and interest are payable solely from the revenues of the institutions. Starting in 1999, the Authority elected to remove these bonds and related restricted assets from its financial statements, except for restricted assets for which the Authority has a fiduciary responsibility. Total special obligation bonds outstanding at June 30, 2010, were $7,393.4 million, of which $281.1 million was secured by special capital reserve funds.

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

e. Debt Refundings

During the year, the State issued $344.1 million of general obligation and special tax obligation refunding bonds with an average interest rate of 3.89 percent to redeem $40.9 million and to advance refund $311.4 million of general obligation and special tax obligation bonds with an average interest rate of 4.96 percent. The reacquisition price exceeded the carrying amount of the old debt by $27.2 million. This amount is being netted against the new debt and amortized over the life of the new or old debt, whichever is shorter.

The State advanced refunded these bonds to reduce its total debt service payments over the next eleven years by $12.1 million and to obtain an economic gain (difference between the present values of the debt service payments of the old and new bonds) of $12.6 million. As of June 30, 2010, $2,031.4 million of outstanding general obligation, special tax obligation, and revenue bonds had been advanced refunded and are, accordingly, considered defeased.

Note 19 - Derivative Financial Instruments

The fair value balances and notional amounts of the State’s derivative instruments outstanding at June 30, 2010, classified by type, and the changes in fair value of such derivative instruments for the year then ended are as follows (amounts in thousands; debit(credit)):

<table>
<thead>
<tr>
<th>Type</th>
<th>Objective</th>
<th>Notional Amount (000's)</th>
<th>Effective Date</th>
<th>Maturity Date</th>
<th>Terms</th>
<th>Counterparty Credit Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay-fixed interest rate swap</td>
<td>Hedge of changes in cash flows of the 2001 GO bonds</td>
<td>20,000</td>
<td>6/28/2001</td>
<td>6/15/2012</td>
<td>Pay 4.33% receive CPI plus</td>
<td>A/A/A</td>
</tr>
<tr>
<td>Pay-fixed interest rate swap</td>
<td>Hedge of changes in cash flows of the 2005 GO bonds</td>
<td>140,000</td>
<td>3/24/2005</td>
<td>3/1/2023</td>
<td>Pay 3.392% receive 60% of</td>
<td>Aa/AAA/nr</td>
</tr>
<tr>
<td>Pay-fixed interest rate swap</td>
<td>Hedge of changes in cash flows of the 2005 GO bonds</td>
<td>140,000</td>
<td>3/24/2005</td>
<td>3/1/2023</td>
<td>Pay 3.401% receive 60% of</td>
<td>Aa/AAA/nr</td>
</tr>
<tr>
<td>Pay-fixed interest rate swap</td>
<td>Hedge of changes in cash flows of the 2005 GO bonds</td>
<td>15,620</td>
<td>4/27/2005</td>
<td>6/1/2016</td>
<td>Pay 3.999% receive CPI plus</td>
<td>A/A/A</td>
</tr>
<tr>
<td>Pay-fixed interest rate swap</td>
<td>Hedge of changes in cash flows of the 2005 GO bonds</td>
<td>20,000</td>
<td>4/27/2005</td>
<td>6/1/2017</td>
<td>Pay 5.07% receive CPI plus</td>
<td>A/A/A</td>
</tr>
<tr>
<td>Pay-fixed interest rate swap</td>
<td>Hedge of changes in cash flows of the 2005 GO bonds</td>
<td>20,000</td>
<td>4/27/2005</td>
<td>6/1/2020</td>
<td>Pay 5.2% receive CPI plus</td>
<td>Aa/AA/AA</td>
</tr>
</tbody>
</table>

The fair values of interest rate swaps were estimated using the zero-coupon method. This method calculates the future net settlement payment required under the swaps, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date each future net settlement on the swaps.

Credit Risk

As of June 30, 2010, the State had no credit risk exposure on any of the swaps because the swaps had negative fair value. However, should interest rates change and the fair values of the swaps become positive, the State would be exposed to credit risk in the amount of the swaps’ fair value.
**Interest Rate Risk**

The State is exposed to interest rate risk on its interest rate swaps. As the LIBOR or CPI swap index rate decreases, the State’s net payment on the swap increases.

**Basis Risk**

The State’s variable-rate bond interest payments are based on the Securities Industry and Financial Markets Association Municipal Swap (SIFMA) index rate, or the CPI floating rate. The State is exposed to basis risk on those swaps for which the State receives variable-rate payments that are based on the LIBOR swap index rate. As of June 30, 2010, the SIFMA rate was 0.25 percent, whereas 60 percent of LIBOR plus 30bp was 0.509 percent. The State recognizes this basis risk by including an amount for basis risk in its debt service budget. For fiscal year 2010, the budgeted amount for basis risk was $1,500,000.

**Termination Risk**

The State or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the contract. If any swap is terminated, the associated variable-rate bonds would no longer carry synthetic interest rates. Also, if at the time of termination the swap has a negative fair value, the State would be liable to the counterparty for a payment equal to the swap’s fair value. Under the 2005 swap agreements, the State has up to 270 days to fund any required termination payment.

**Rollover Risk**

Because all of the swap agreements terminate when the associated debt is fully paid, the State is only exposed to rollover risk if an early termination occurs. Upon an early termination, the State will not realize the synthetic rate offered by the swaps on the underlying debt issues.

**Hedging Derivative Instrument Payments and Hedged Debt**

As rates vary, variable-rate bond interest payments and net swap payments will vary. Using rates as of June 30, 2010, debt service requirements of the State’s outstanding variable-rate bonds and net swap payments are as follows (amounts in thousands).

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30</th>
<th>Variable-Rate Bonds</th>
<th>Interest Rate SWAP, Net</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$ -</td>
<td>$ 1,777</td>
<td>$ 10,833</td>
</tr>
<tr>
<td>2012</td>
<td>20,000</td>
<td>1,778</td>
<td>10,832</td>
</tr>
<tr>
<td>2013</td>
<td>-</td>
<td>1,170</td>
<td>10,575</td>
</tr>
<tr>
<td>2014</td>
<td>-</td>
<td>1,170</td>
<td>10,575</td>
</tr>
<tr>
<td>2015</td>
<td>-</td>
<td>1,751</td>
<td>16,804</td>
</tr>
<tr>
<td>2016-2020</td>
<td>260,620</td>
<td>3,492</td>
<td>28,918</td>
</tr>
<tr>
<td>2021-2023</td>
<td>75,000</td>
<td>337</td>
<td>2,780</td>
</tr>
</tbody>
</table>

Total $355,620 $11,475 $91,317 $458,412

As of June 30, 2010, Bradley airport has entered into interest rate swap agreements for $152.4 million of its variable rate bonds. Details on these agreements are disclosed under the separately issued audited financial statements of the fund.

**Note 20 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.

<table>
<thead>
<tr>
<th>Risk of Loss</th>
<th>Purchase of Commercial Insurance</th>
<th>Self-Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liability (Torts):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-General (State buildings, parks, or grounds)</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>-Other</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Theft of, damage to, or destruction of assets</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Business interruptions</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Errors or omissions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Professional liability</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>-Medical malpractice</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>(John Dempsey Hospital)</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Injuries to employees</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Natural disasters</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

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

For the risk of theft, of damage to, or destruction of assets (particularly in the automobile fleet), the State insures only leased cars and vehicles valued at more than $100 thousand. When purchasing commercial insurance the State may retain some of the risk by assuming a deductible or self-insured retention amount in the insurance policy. This amount varies greatly because the State carries a large number of insurance policies covering various risks. The highest deductible or self-insured retention amount assumed by the State is $25 million, which is carried in a railroad liability policy.

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 assets (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 actuarially determined and the unpaid liability for medical malpractice is reported at its present value, using a discount rate of 5 percent. 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 claims liabilities during the last two fiscal years were as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Governmental Activities Compensation</th>
<th>Business-Type Activities Medical Malpractice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance 6-30-08</td>
<td>$412,619</td>
</tr>
<tr>
<td>Incurred claims</td>
<td>143,104</td>
</tr>
<tr>
<td>Paid claims</td>
<td>(95,945)</td>
</tr>
<tr>
<td>Balance 6-30-09</td>
<td>459,778</td>
</tr>
<tr>
<td>Incurred claims</td>
<td>109,601</td>
</tr>
<tr>
<td>Paid claims</td>
<td>(108,783)</td>
</tr>
<tr>
<td>Balance 6-30-10</td>
<td>$460,596</td>
</tr>
</tbody>
</table>

**Note 21 Interfund Receivables and Payables**

Interfund receivable and payable balances at June 30, 2010, were as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Balance due to fund(s)</th>
<th>General</th>
<th>Transportation</th>
<th>Restricted Grants &amp; Accounts</th>
<th>Other</th>
<th>State Universities</th>
<th>Other Proprietary</th>
<th>Employment Services</th>
<th>Internal Services</th>
<th>Fiduciary</th>
<th>Units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$ -</td>
<td>-</td>
<td>$509,123</td>
<td>$612,478</td>
<td>$54,327</td>
<td>$21,579</td>
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<td>$1,533</td>
<td>$357</td>
<td>$5,741</td>
<td>$1,224,303</td>
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<tr>
<td>Debt Service</td>
<td>-</td>
<td>1,288</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<td>1,288</td>
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<td>Restricted Grants &amp; Accounts</td>
<td>3,245</td>
<td>-</td>
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<td>8,262</td>
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<td>UConn</td>
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<td>15,625</td>
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<td>State Universities</td>
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<td>3,218</td>
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<tr>
<td>Employment Security</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>26,791</td>
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<td>-</td>
<td>26,791</td>
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<td>1,206</td>
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<td>1,206</td>
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<tr>
<td>Internal Services</td>
<td>-</td>
<td>-</td>
<td>66,931</td>
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<td>66,931</td>
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<tr>
<td>Fiduciary</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>19,898</td>
</tr>
<tr>
<td>Component Units</td>
<td>14,967</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Total</td>
<td>$39,728</td>
<td>$1,288</td>
<td>$514,725</td>
<td>$734,730</td>
<td>$54,837</td>
<td>$35,303</td>
<td>$223,441</td>
<td>$1,533</td>
<td>$357</td>
<td>$7,263</td>
<td>$1,626,234</td>
</tr>
</tbody>
</table>

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

**Note 22 Interfund Transfers**

Interfund transfers for the fiscal year ended June 30, 2010, consisted of the following (amounts in thousands):

<table>
<thead>
<tr>
<th>Amount transferred to fund(s)</th>
<th>General</th>
<th>Debt Service</th>
<th>Transportation</th>
<th>Restricted Grants &amp; Accounts</th>
<th>Other</th>
<th>State</th>
<th>Other Proprietary</th>
<th>Employment Services</th>
<th>Internal Services</th>
<th>Fiduciary</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>General</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Debt Service</td>
<td>-</td>
<td>-</td>
<td>5,741</td>
<td>451</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<tr>
<td>Transportation</td>
<td>-</td>
<td>-</td>
<td>439,642</td>
<td>-</td>
<td>5,300</td>
<td>6,458</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>451,400</td>
</tr>
<tr>
<td>Restricted Grants &amp; Accounts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,533</td>
<td>-</td>
<td>-</td>
<td>1,533</td>
</tr>
<tr>
<td>Other Governmental</td>
<td>114,005</td>
<td>-</td>
<td>60</td>
<td>116,112</td>
<td>8,288</td>
<td>106,028</td>
<td>12,753</td>
<td>172,194</td>
<td>-</td>
<td>2,740</td>
<td>532,180</td>
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<td>Internal Service</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>Connecticut Lottery</td>
<td>285,500</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>285,500</td>
</tr>
<tr>
<td>Employment Security</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,505</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>3,528</td>
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<td>Other Proprietary</td>
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<td>-</td>
<td>9,849</td>
<td>-</td>
<td>-</td>
<td>9,849</td>
</tr>
<tr>
<td>Total</td>
<td>$399,505</td>
<td>$439,642</td>
<td>$5,801</td>
<td>$121,963</td>
<td>$90,763</td>
<td>$649,974</td>
<td>$254,807</td>
<td>$455,958</td>
<td>$715</td>
<td>$2,740</td>
<td>$2,421,886</td>
</tr>
</tbody>
</table>

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 23 Restatement of Net Assets, Restricted Assets, and Special Items

As of June 30, 2010, the beginning net assets for the following activities was restated as follows (amounts in thousands):

<table>
<thead>
<tr>
<th>Activity</th>
<th>Balance 6-30-09</th>
<th>Reclassification</th>
<th>Restated 6-30-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Assets</td>
<td>$11,075,553</td>
<td>($881,193)</td>
<td>$10,194,360</td>
</tr>
<tr>
<td>Net Assets of Governmental Activities</td>
<td>$9,594,189</td>
<td>($881,193)</td>
<td>($10,450,382)</td>
</tr>
</tbody>
</table>

The beginning net asset balance of governmental activities was adjusted to correct a net overstatement in the balance of capital assets (mainly land) reported last year.

As of June 30, 2010, the government-wide statement of net assets reported $3,041 of restricted net assets, of which $478 million was restricted by enabling legislation.

Special Items

Special items are significant transactions within the control of management that are either unusual in nature or infrequent in occurrence. During the fiscal year, the state legislature mandated the transfer of funds from certain governmental and enterprise funds to the General and Transportation funds to help reduce budget deficits of these funds. In the Statement of Activities, only the transfers from enterprise funds to the General fund are reported.

Note 24 Related Organizations

The Community Economic Development Fund and the Connecticut Student Loan Foundation 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.

Note 25 New Accounting Pronouncements


Statement No. 51 establishes standards of accounting and financial reporting standards for intangible assets, which are assets that lack physical substance, are nonfinancial in nature, and have initial useful life extending beyond a single reporting period.

Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments, which are complex financial arrangements used by governments to manage specific risks or to make investments. For example, interest rate swaps, options, forward contracts, etc..

Note 26 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, 2010, the Departments of Transportation and Public Works had contractual commitments of approximately $2,873 million for infrastructure and other construction projects. Additionally, other commitments were approximately as follows:

- School construction and alteration grant program $2,908 million.
- Clean and drinking water loan programs $425 million.
- Various programs and services $1,998 million.

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

Component Units

As of December 31, 2009, the Connecticut Housing Finance Authority had mortgage loan commitments of approximately $187 million.

B. Contingent Liabilities

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

In 2002 the City of Waterbury issued $97.5 million of General Obligation Special Capital Reserve Fund Bonds. These bonds are secured by a Special Capital Reserve Fund for which the State may be contingently liable as explained previously in Note 18 – Component Units.

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, its units and employees are parties to numerous legal proceedings, many of which normally occur in government operations. Most of these legal proceedings are not, in the opinion of the Attorney General, likely to have a material adverse impact on the State’s financial position.
There are, however, several legal proceedings which, if decided adversely against the State, may require the State to make material future expenditures for expanded services or capital facilities or may impair future revenue sources. It is neither possible to determine the outcome of these proceedings nor to estimate the possible effects adverse decisions may have on the future expenditures or revenue sources of the State.

Public Act 10-179 authorizes the State to issue “Economic Recovery Revenue Bonds” backed by the competitive transition adjustment and conservation charges currently imposed on electric bills. General Fund revenue for Fiscal Year 2011 anticipates $646.6 million in receipts from the sale of such bonds. At the time of this report (January 28, 2011), the issuance of these bonds has been delayed by a lawsuit seeking to enjoin and declare invalid the financing order of the Department of Public Utility Control which imposed assessments on Connecticut Light and Power and United Illuminating utility bills that is intended to cover the cost of issuance and debt service for these bonds.

**Note 27 Subsequent Events**

In November 2010, the State issued $440.4 million of Special Tax Obligation Transportation Infrastructure “Taxable Build America” bonds. The bonds will mature in years 2020 through 2030 and bear interest rates ranging from 4.126 percent to 5.459 percent.

In November 2010, the State issued $199.6 million of Special Tax Obligation Transportation Infrastructure bonds. The bonds will mature in years 2011 through 2019 and bear interest ranging from 2.0 percent to 5.0 percent.

In November 2010, the State issued $137.7 million of Special Tax Obligation “Build America” bonds. The bonds will mature in 2030 and bear an interest rate of 5.09 percent.

In October 2010, the State issued $203.4 million of Taxable General Obligation “Qualified School Construction” bonds. The bonds will mature in 2029 and bear an interest rate of 5.305 percent.

In October 2010, the State issued $22.2 million of Taxable General Obligation “Recovery Zone Economic Development” bonds. The bonds will mature in 2030 and bear an interest rate of 5.305 percent.

In October 2010, the State issued $47.0 million of General Obligation refunding bonds. The bonds will mature in years 2011 through 2022 and bear interest rates ranging from 2.0 percent to 5.0 percent.

In October 2010, the State issued $294.4 million of Taxable General Obligation “Build America” bonds. The bonds mature in 2030 and bear an interest rate of 5.09 percent.

In October 2010, the State issued $78.9 million of Special Obligation Bonds revenue bonds. The bonds are limited obligations of the Connecticut Housing Finance Authority, a component unit. However, the State is contractually obligated to pay the debt service requirements from the General fund.
Pension and Other Postemployment Benefit Plans
Required Supplementary Information
Schedules of Funding Progress
(Expressed in Millions)

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Value of Assets</th>
<th>Actuarial Accrued Liability (AAL)</th>
<th>(b-a) Unfunded AAL (UAAL)</th>
<th>(a/b) Funded Ratio</th>
<th>Covered Payroll</th>
<th>((b-a)/c) UAAL as a Percentage of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SERS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6/30/2005</td>
<td>$8,517.7</td>
<td>$15,987.5</td>
<td>$7,469.8</td>
<td>53.3%</td>
<td>$2,980.1</td>
<td>250.7%</td>
</tr>
<tr>
<td>6/30/2006</td>
<td>$8,951.4</td>
<td>$16,830.3</td>
<td>$7,878.9</td>
<td>53.2%</td>
<td>$3,107.9</td>
<td>253.5%</td>
</tr>
<tr>
<td>6/30/2007</td>
<td>$9,585.1</td>
<td>$17,888.1</td>
<td>$8,303.0</td>
<td>53.6%</td>
<td>$3,310.4</td>
<td>250.8%</td>
</tr>
<tr>
<td>6/30/2008</td>
<td>$9,990.2</td>
<td>$19,243.4</td>
<td>$9,253.2</td>
<td>51.9%</td>
<td>$3,497.4</td>
<td>264.6%</td>
</tr>
<tr>
<td>6/30/2009 *</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>0.0%</td>
<td>$-</td>
<td>0.0%</td>
</tr>
<tr>
<td>6/30/2010</td>
<td>$9,349.6</td>
<td>$21,054.2</td>
<td>$11,704.6</td>
<td>44.4%</td>
<td>$3,295.7</td>
<td>355.1%</td>
</tr>
</tbody>
</table>

*No actuarial valuation was performed.

| **TRS**                |                           |                                  |                          |                   |                |                                                 |
| 6/30/2005 *            | $-                        | $-                                | $-                       | 0.0%              | $-             | 0.0%                                             |
| 6/30/2006              | $10,190.3                 | $17,112.8                        | $6,922.5                 | 59.5%             | $3,137.7       | 220.6%                                           |
| 6/30/2007 *            | $-                        | $-                                | $-                       | 0.0%              | $-             | 0.0%                                             |
| 6/30/2008              | $15,271.0                 | $21,801.0                        | $6,530.0                 | 70.0%             | $3,399.3       | 192.1%                                           |
| 6/30/2009 *            | $-                        | $-                                | $-                       | 0.0%              | $-             | 0.0%                                             |
| 6/30/2010              | $14,430.2                 | $23,495.9                        | $9,065.7                 | 61.4%             | $3,646.0       | 248.6%                                           |

*No actuarial valuation was performed.

| **JRS**                |                           |                                  |                          |                   |                |                                                 |
| 6/30/2005              | $160.3                    | $235.0                           | $74.7                    | 68.2%             | $30.2          | 247.8%                                           |
| 6/30/2006              | $169.7                    | $246.9                           | $77.2                    | 68.7%             | $31.8          | 242.8%                                           |
| 6/30/2007              | $182.4                    | $261.2                           | $78.8                    | 69.8%             | $33.8          | 233.1%                                           |
| 6/30/2008              | $191.7                    | $267.0                           | $75.3                    | 71.8%             | $34.0          | 221.5%                                           |
| 6/30/2009 *            | $-                        | $-                                | $-                       | 0.0%              | $-             | 0.0%                                             |
| 6/30/2010              | $179.7                    | $276.8                           | $97.1                    | 64.9%             | $31.6          | 307.3%                                           |

*No actuarial valuation was performed.

| **RTHP**               |                           |                                  |                          |                   |                |                                                 |
| 6/30/2008              | $-                        | $2,318.8                         | $2,318.8                 | 0.0%              | $3,399.3       | 68.2%                                           |
| 6/30/2009 *            | $-                        | $-                                | $-                       | 0.0%              | $-             | 0.0%                                             |
| 6/30/2010              | $-                        | $2,997.8                         | $2,997.8                 | 0.0%              | $3,646.0       | 82.2%                                           |

*No actuarial valuation was performed.

Actuarial valuations for other postemployment benefit plans are required to be disclosed starting with fiscal year 2008.
## Connecticut

### Pension and Other Postemployment Benefit Plans

#### Required Supplementary Information

#### Schedules of Employer Contributions

(Expressed in Millions)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>SERS Annual Required Contribution</th>
<th>Percentage Contributed</th>
<th>SERS Annual Required Contribution</th>
<th>Percentage Contributed</th>
<th>TRS Annual Required Contribution</th>
<th>Percentage Contributed</th>
<th>JRS Annual Required Contribution</th>
<th>Percentage Contributed</th>
<th>RTHP Annual Required Contribution</th>
<th>Percentage Contributed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$518.8</td>
<td>100.0%</td>
<td>$281.4</td>
<td>65.8%</td>
<td>$12.2</td>
<td>100.0%</td>
<td>$0.0</td>
<td>0.0%</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>2006</td>
<td>$623.1</td>
<td>100.0%</td>
<td>$396.2</td>
<td>100.0%</td>
<td>$11.7</td>
<td>100.0%</td>
<td>$0.0</td>
<td>0.0%</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>2007</td>
<td>$663.9</td>
<td>100.0%</td>
<td>$416.0</td>
<td>99.0%</td>
<td>$12.4</td>
<td>100.0%</td>
<td>$0.0</td>
<td>0.0%</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>2008</td>
<td>$716.9</td>
<td>99.2%</td>
<td>$518.6</td>
<td>485.7%</td>
<td>$13.4</td>
<td>100.0%</td>
<td>$116.1</td>
<td>21.5%</td>
<td>$116.1</td>
<td>21.5%</td>
</tr>
<tr>
<td>2009</td>
<td>$753.7</td>
<td>92.8%</td>
<td>$539.3</td>
<td>100.0%</td>
<td>$14.2</td>
<td>100.0%</td>
<td>$116.7</td>
<td>25.3%</td>
<td>$121.3</td>
<td>10.0%</td>
</tr>
<tr>
<td>2010</td>
<td>$897.4</td>
<td>80.3%</td>
<td>$559.2</td>
<td>100.0%</td>
<td>$15.4</td>
<td>0.0%</td>
<td>$121.3</td>
<td>10.0%</td>
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Schedules of employer contributions for other postemployment benefit plans (RTPH) are required to be disclosed starting with fiscal year 2008.
Combining Funds Statements and Schedules Nonmajor Funds
### Special Revenue Funds

<table>
<thead>
<tr>
<th>Assets</th>
<th>Capital Projects Funds</th>
<th>Permanent Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$502,470</td>
<td>-</td>
<td>$6,440</td>
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<tr>
<td>Investments</td>
<td>7,890</td>
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<td>93,193</td>
</tr>
<tr>
<td>Securities Lending Collateral</td>
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<td>22,038</td>
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<tr>
<td>Receivables:</td>
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</tr>
<tr>
<td>Accounts, Net of Allowances</td>
<td>16,688</td>
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<tr>
<td>Loans, Net of Allowances</td>
<td>253,757</td>
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</tr>
<tr>
<td>From Other Governments</td>
<td>12,656</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>From Other Funds</td>
<td>182,804</td>
<td>551,922</td>
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<tr>
<td>Restricted Assets</td>
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</tr>
<tr>
<td>Other Assets</td>
<td>346</td>
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<td>-</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$980,060</strong></td>
<td><strong>$551,922</strong></td>
<td><strong>$121,675</strong></td>
</tr>
</tbody>
</table>

### Liabilities and Fund Balances

#### Liabilities

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Special Revenue Funds</th>
<th>Capital Projects Funds</th>
<th>Permanent Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>$30,051</td>
<td>$44,089</td>
<td>-</td>
<td>$74,140</td>
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<tr>
<td>Notes Payable</td>
<td>298,115</td>
<td>54,970</td>
<td>-</td>
<td>353,085</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>5,681</td>
<td>223,826</td>
<td>4,254</td>
<td>233,761</td>
</tr>
<tr>
<td>Due to Component Units</td>
<td>12,664</td>
<td>-</td>
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<td>12,664</td>
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<tr>
<td>Deferred Revenue</td>
<td>27,152</td>
<td>-</td>
<td>-</td>
<td>27,152</td>
</tr>
<tr>
<td>Securities Lending Obligation</td>
<td>-</td>
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<td>22,038</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>373,663</strong></td>
<td><strong>322,855</strong></td>
<td><strong>26,292</strong></td>
<td><strong>722,840</strong></td>
</tr>
</tbody>
</table>

#### Fund Balances

Reserved For:

| Loans                                 | 253,757               | -                      | -            | 253,757 |
| Continuing Appropriations             | 115                   | -                      | -            | 115     |
| Permanent Investments                 | -                     | -                      | 93,193       | 93,193  |
| Trust Activities                      | -                     | -                      | 2,190        | 2,190   |
| Unreserved                            | 352,525               | 229,037                | -            | 581,562 |
| **Total Fund Balances**               | **606,397**           | **229,037**            | **95,383**   | **930,817** |
| **Total Liabilities and Fund Balances** | **$980,060**         | **$551,922**           | **$121,675** | **$1,653,657** |
# Connecticut Statement of Revenues, Expenditures and Changes in Fund Balances

## Nonmajor Governmental Funds - By Fund Type

For The Fiscal Year Ended June 30, 2010

(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Special Revenue Funds</th>
<th>Capital Projects Funds</th>
<th>Permanent Funds</th>
<th>Total</th>
</tr>
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<td>Taxes</td>
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<td>$ 659</td>
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<td>Assessments</td>
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<td>-</td>
<td>27,268</td>
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<tr>
<td>Licenses, Permits and Fees</td>
<td>47,746</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Tobacco Settlement</td>
<td>128,977</td>
<td>-</td>
<td>-</td>
<td>128,977</td>
</tr>
<tr>
<td>Federal Grants and Aid</td>
<td>96,451</td>
<td>-</td>
<td>-</td>
<td>96,451</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>4,170</td>
<td>-</td>
<td>-</td>
<td>4,170</td>
</tr>
<tr>
<td>Fines, Forfeits and Rents</td>
<td>4,382</td>
<td>-</td>
<td>-</td>
<td>4,382</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>3,920</td>
<td>-</td>
<td>11,504</td>
<td>15,424</td>
</tr>
<tr>
<td>Interest on Loans</td>
<td>283</td>
<td>-</td>
<td>-</td>
<td>283</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>110,717</td>
<td>19</td>
<td>-</td>
<td>110,736</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td>424,573</td>
<td>19</td>
<td>11,504</td>
<td>436,096</td>
</tr>
</tbody>
</table>

| Expenditures                            |                       |                       |                 |       |
| Current:                                |                       |                       |                 |       |
| General Government                      | 102,926               | -                     | -               | 102,926|
| Regulation and Protection               | 198,159               | -                     | -               | 198,159|
| Conservation and Development            | 190,451               | -                     | 852             | 191,303|
| Health and Hospitals                    | 11,694                | -                     | -               | 11,694|
| Transportation                          | 14,839                | -                     | -               | 14,839|
| Human Services                          | 9,112                 | -                     | -               | 9,112 |
| Education, Libraries, and Museums       | 545,574               | -                     | 22              | 545,596|
| Corrections                             | 3,726                 | -                     | -               | 3,726 |
| Judicial                                | 19,378                | -                     | 9               | 19,387|
| Capital Projects                        | -                     | 435,288               | -               | 435,288|
| Debt Service:                           |                       |                       |                 |       |
| Interest and Fiscal Charges             | 5,039                 | 4,454                 | -               | 9,493 |
| **Total Expenditures**                  | 1,100,898             | 439,742               | 883             | 1,541,523|

| Excess (Deficiency) of Revenues Over Expenditures | (676,325) | (439,723) | 10,621 | (1,105,427) |

## Other Financing Sources (Uses)

| Bonds Issued                            | 899,150              | 802,965               | -               | 1,702,115 |
| Premium on Bonds Issued                 | 44,005               | 27,916                | -               | 71,921   |
| Transfers In                            | 90,763               | -                     | -               | 90,763   |
| Transfers Out                           | (185,500)            | (343,260)             | (3,420)         | (532,180) |
| Special Item: Transfer to General Fund  | (50,777)             | -                     | -               | (50,777) |

| Total Other Financing Sources (Uses)     | 797,641              | 487,621               | (3,420)         | 1,281,842|
| Net Change in Fund Balances             | 121,316              | 47,898                | 7,201           | 176,415  |
| Fund Balances - Beginning               | 485,081              | 181,139               | 88,182          | 754,402  |

| Fund Balances - Ending                  | $ 606,397            | $ 229,037             | $ 95,383        | $ 930,817 |
**Special Revenue Funds**

**Workers’ Compensation Administration:**
to account for assessments collected for the purpose of covering the administrative costs of the Workers’ Compensation Commission.

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

**Consumer Counsel and Public Utility Control:**
to account for monies collected from various public utility companies.

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

**Criminal Injuries Compensation:**
to account for monies collected from the criminal injuries board.

**Regional Market Fund:**
to account for rents and other monies collected for the purpose of providing for the payment of expenses relating to the operation and maintenance of the regional market.

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

**Soldiers, Sailors, and Marines Fund:**
to account for interest earned for the purpose of furnishing, food, wearing apparel, medical or surgical care, or funeral expenses of soldiers, sailors, and marines who served in any branch of military service.

**Employment Security Administration:**
to account for monies collected from various sources for the purpose of defraying the cost of the administration of unemployment compensation.

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

**Housing Programs:**
to account for monies collected for the purpose of providing funds for various housing programs throughout the state.
## Connecticut

### Combining Balance Sheet

**Nonmajor Special Revenue Funds**

June 30, 2010

(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Workers' Compensation</th>
<th>Banking</th>
<th>Consumer Counsel and Public Utility</th>
<th>Insurance</th>
<th>Criminal Injuries</th>
<th>Mashantucket Pequot and Mohegan Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$17,591</td>
<td>$20,914</td>
<td>$7,767</td>
<td>$11,493</td>
<td>$3,476</td>
<td>$70</td>
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<tr>
<td>Investments</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receivables:</td>
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<td></td>
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<tr>
<td>Accounts, Net of Allowances</td>
<td>-</td>
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<td>-</td>
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<td>From Other Governments</td>
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<td>Restricted Assets</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Assets</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
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<td>$20,968</td>
<td>$7,767</td>
<td>$11,500</td>
<td>$3,478</td>
<td>$70</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Fund Balances</th>
<th>Workers' Compensation</th>
<th>Banking</th>
<th>Consumer Counsel and Public Utility</th>
<th>Insurance</th>
<th>Criminal Injuries</th>
<th>Mashantucket Pequot and Mohegan Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>$851</td>
<td>$697</td>
<td>$4,654</td>
<td>$1,208</td>
<td>$387</td>
<td>$-</td>
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<td>-</td>
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<td>-</td>
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<tr>
<td>Deferred Revenue</td>
<td>-</td>
<td>53</td>
<td>5,112</td>
<td>5,952</td>
<td>-</td>
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</tr>
<tr>
<td>Due to Other Funds</td>
<td>145</td>
<td>156</td>
<td>189</td>
<td>206</td>
<td>-</td>
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<tr>
<td>Due to Component Units</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>996</td>
<td>906</td>
<td>9,955</td>
<td>7,366</td>
<td>387</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Balances</th>
<th>Workers' Compensation</th>
<th>Banking</th>
<th>Consumer Counsel and Public Utility</th>
<th>Insurance</th>
<th>Criminal Injuries</th>
<th>Mashantucket Pequot and Mohegan Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserved For:</td>
<td></td>
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<tr>
<td>Loans</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
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<td>Continuing Appropriations</td>
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<td>16,613</td>
<td>19,947</td>
<td>(2,188)</td>
<td>4,134</td>
<td>3,091</td>
<td>70</td>
</tr>
<tr>
<td>Total Fund Balances (Deficit)</td>
<td>16,613</td>
<td>20,062</td>
<td>(2,188)</td>
<td>4,134</td>
<td>3,091</td>
<td>70</td>
</tr>
<tr>
<td>Total Liabilities and Fund Balances</td>
<td>$17,609</td>
<td>$20,968</td>
<td>$7,767</td>
<td>$11,500</td>
<td>$3,478</td>
<td>$70</td>
</tr>
</tbody>
</table>
### Connecticut

<table>
<thead>
<tr>
<th>Regional</th>
<th>Soldiers, Sailors &amp; Marines</th>
<th>Employment Administration</th>
<th>Grant &amp; Loan Programs</th>
<th>Environmental Programs</th>
<th>Housing Programs</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 982 $</td>
<td>$ - $</td>
<td>$ 21,370 $</td>
<td>$ 274,025 $</td>
<td>$ 87,477 $</td>
<td>$ 25,382 $</td>
<td>$ 31,923 $</td>
<td>$ 502,470 $</td>
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<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,890 $</td>
<td>- $</td>
<td>- $</td>
<td>7,890</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>10,390</td>
<td>3,411 $</td>
<td>- $</td>
<td>2,833 $</td>
<td>16,688 $</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>12,656 $</td>
<td>194,179</td>
<td>22,029 $</td>
<td>37,053 $</td>
<td>496 $</td>
<td>253,757 $</td>
</tr>
<tr>
<td></td>
<td>4,018</td>
<td>262 $</td>
<td>178,485</td>
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<td>- $</td>
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<td>12 $</td>
</tr>
<tr>
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<td>-</td>
<td>12,656</td>
<td>- $</td>
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<td>3,449 $</td>
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<td>346 $</td>
<td>- $</td>
<td>- $</td>
<td>346 $</td>
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</tr>
<tr>
<td>$ 982 $</td>
<td>$ 4,018 $</td>
<td>$ 34,288 $</td>
<td>$ 657,079 $</td>
<td>$ 124,602 $</td>
<td>$ 62,435 $</td>
<td>$ 35,264 $</td>
<td>$ 980,060 $</td>
</tr>
</tbody>
</table>

| $ 32 $          | $ 41 $                    | $ 3,711 $                | $ 13,473 $           | $ 2,114 $             | $ 5 $           | $ 2,878 $ | $ 30,051 $ |
|                  | -                          | -                         | 285,995 $            | - $                   | 12,120 $        | - $     | 298,115 $ |
|                  | -                          | -                         | 10,142               | 3,159 $               | - $             | 2,734 $ | 27,152 $  |
|                  | 7                          | 3,972 $                  | 783 $                | 25 $                  | 78 $            | 1 $      | 5,681 $   |
|                  | -                          | -                         | 12,664 $             | - $                   | - $             | - $     | 12,664 $  |
|                  | 39                         | 4,013 $                  | 4,494 $              | 322,299 $             | 5,351 $         | 12,126 $ | 5,731 $   | 373,663 $  |

| 943              | 5                          | 29,794 $                 | 140,601 $            | 97,222 $              | 13,256 $        | 29,037 $ | 352,525 $ |
|                  | 5                          | 29,794 $                 | 334,780 $            | 119,251 $             | 50,309 $        | 29,533 $ | 606,397 $ |
| $ 982 $          | $ 4,018 $                 | $ 34,288 $               | $ 657,079 $          | $ 124,602 $           | $ 62,435 $      | $ 35,264 $ | $ 980,060 $ |

99
## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

### Nonmajor Special Revenue Funds

For The Fiscal Year Ended June 30, 2010

(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Workers' Compensation</th>
<th>Consumer Counsel</th>
<th>Public Utility</th>
<th>Control</th>
<th>Insurance</th>
<th>Criminal Injuries</th>
<th>Mashantucket Pequot and Mohegan Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Assessments</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Licenses, Permits and Fees</td>
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<td>31</td>
<td>1,340</td>
<td>1,138</td>
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<tr>
<td>Tobacco Settlement</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Federal Grants and Aid</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Charges for Services</td>
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<tr>
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<td>27,079</td>
<td>1,775</td>
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<tr>
<td><strong>Total Revenues</strong></td>
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<td><strong>32,824</strong></td>
<td><strong>21,044</strong></td>
<td><strong>28,441</strong></td>
<td><strong>3,164</strong></td>
<td>-</td>
<td>-</td>
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</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Current:</th>
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<th></th>
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<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>General Government</td>
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<td>23</td>
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<td>61,780</td>
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</tr>
<tr>
<td>Regulation and Protection</td>
<td>19,143</td>
<td>18,113</td>
<td>24,343</td>
<td>23,643</td>
<td>3,293</td>
<td>61,780</td>
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</tr>
<tr>
<td>Conservation and Development</td>
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<td>-</td>
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<td></td>
</tr>
<tr>
<td>Health and Hospitals</td>
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<td>-</td>
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</tr>
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<td>Transportation</td>
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<td>Human Services</td>
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<td>Education, Libraries, and Museums</td>
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<tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>Interest and Fiscal Charges</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>19,727</strong></td>
<td><strong>18,113</strong></td>
<td><strong>24,343</strong></td>
<td><strong>23,643</strong></td>
<td><strong>3,293</strong></td>
<td><strong>61,780</strong></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Excess (Deficiency) of Revenues Over Expenditures</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Other Financing Sources (Uses)</strong></td>
<td><strong>10,686</strong></td>
<td><strong>14,711</strong></td>
<td><strong>(3,299)</strong></td>
<td><strong>4,798</strong></td>
<td><strong>(129)</strong></td>
<td><strong>(61,780)</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Net Change in Fund Balances</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<tbody>
<tr>
<td><strong>Fund Balances (Deficit) - Beginning</strong></td>
<td><strong>5,927</strong></td>
<td><strong>20,351</strong></td>
<td><strong>1,111</strong></td>
<td><strong>(664)</strong></td>
<td><strong>5,495</strong></td>
<td><strong>50</strong></td>
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<td><strong>Fund Balances (Deficit) - Ending</strong></td>
<td><strong>$16,613</strong></td>
<td><strong>$20,062</strong></td>
<td><strong>$(2,188)</strong></td>
<td><strong>$4,134</strong></td>
<td><strong>$3,091</strong></td>
<td><strong>$70</strong></td>
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### Connecticut

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<tr>
<th>Regional Market</th>
<th>Soldiers, Sailors &amp; Marines</th>
<th>Employment Security</th>
<th>Grant &amp; Administration</th>
<th>Loan Programs</th>
<th>Environmental Programs</th>
<th>Housing Programs</th>
<th>Other</th>
<th>Total</th>
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<tr>
<td></td>
<td>$ - $</td>
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<td>$ - $</td>
<td>$ 659 $</td>
<td>$ - $</td>
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<td>128,977</td>
<td>128,977</td>
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<td></td>
<td>-</td>
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<td>-</td>
<td>96,451</td>
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<td></td>
<td>-</td>
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<td>4,170</td>
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<td>653 $</td>
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<td>-</td>
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<td>-</td>
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<td>44,312 $</td>
<td>2,693 $</td>
<td>156,329</td>
<td>424,573</td>
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<td>-</td>
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<td>3,506 $</td>
<td>-</td>
<td>4,892 $</td>
<td>102,926</td>
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<td></td>
<td>-</td>
<td>87,081</td>
<td>87,755 $</td>
<td>14,328 $</td>
<td>461 $</td>
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<td>826</td>
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<td>9,843</td>
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<td>-</td>
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<td>11,694</td>
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<td>-</td>
<td>14,831</td>
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<td>-</td>
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<td>19,378</td>
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<tr>
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<td>-</td>
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<td>283 $</td>
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<td>5,039</td>
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<td>890</td>
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<td>99,502</td>
<td>698,168 $</td>
<td>91,552 $</td>
<td>14,518 $</td>
<td>42,439</td>
<td>1,100,898</td>
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<td>60</td>
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<td>(2,612)</td>
<td>(690,655)</td>
<td>(47,240) $</td>
<td>(11,825) $</td>
<td>(676,325)</td>
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<td></td>
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<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>849,150 $</td>
<td>50,000 $</td>
<td>-</td>
<td>-</td>
<td>899,150</td>
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<tr>
<td></td>
<td>-</td>
<td>43,658</td>
<td>347 $</td>
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<td>-</td>
<td>-</td>
<td>44,005</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,935 $</td>
<td>4,001</td>
<td>-</td>
<td>-</td>
<td>18,500 $</td>
<td>90,763</td>
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<tr>
<td></td>
<td>-</td>
<td>(38,997)</td>
<td>(5,295) $</td>
<td>-</td>
<td>(138,933) $</td>
<td>(185,650)</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>-</td>
<td>(8,000)</td>
<td>(12,777)</td>
<td>-</td>
<td>(15,000) $</td>
<td>(50,777)</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>2,935 $</td>
<td>3,527</td>
<td>849,812 $</td>
<td>32,275 $</td>
<td>-</td>
<td>(135,433) $</td>
<td>797,641</td>
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<td>5</td>
<td>915</td>
<td>159,157 $</td>
<td>(14,965) $</td>
<td>(11,825) $</td>
<td>(21,543) $</td>
<td>121,316</td>
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<td>883</td>
<td>-</td>
<td>28,879</td>
<td>175,623 $</td>
<td>134,216 $</td>
<td>62,134 $</td>
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<td>485,081</td>
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<tr>
<td></td>
<td>$ 943 $</td>
<td>$ 5 $</td>
<td>$ 29,794 $</td>
<td>$ 334,780 $</td>
<td>$ 119,251 $</td>
<td>$ 50,309 $</td>
<td>$ 29,533 $</td>
<td>$ 606,397</td>
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</table>

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### Connecticut

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

**Budget and Actual - Non-GAAP Budgetary Basis**

**Budgeted Nonmajor Special Revenue Funds**

For the Fiscal Year Ended June 30, 2010

(Expressed in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance</th>
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</tr>
<tr>
<td>Budgeted:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees, Assessments, and Other Income</td>
<td>$22,700</td>
<td>$30,413</td>
<td>$7,713</td>
<td>$22,100</td>
<td>$32,834</td>
<td>$10,734</td>
</tr>
<tr>
<td>Total Budgeted Revenues</td>
<td>22,700</td>
<td>30,413</td>
<td>7,713</td>
<td>22,100</td>
<td>32,834</td>
<td>10,734</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budgeted:</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulation and Protection</td>
<td>22,615</td>
<td>19,672</td>
<td>2,943</td>
<td>20,141</td>
<td>18,213</td>
<td>1,928</td>
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<td>Human Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Budgeted Expenditures</td>
<td>22,615</td>
<td>19,672</td>
<td>2,943</td>
<td>20,141</td>
<td>18,213</td>
<td>1,928</td>
</tr>
<tr>
<td><strong>Excess (Deficiency) of Revenues</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over Expenditures</td>
<td>85</td>
<td>10,741</td>
<td>10,656</td>
<td>1,959</td>
<td>14,621</td>
<td>12,662</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses)</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Operating Transfer Out</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(15,000)</td>
<td>(15,000)</td>
</tr>
<tr>
<td>Prior Year Appropriations Carried Forward</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,500</td>
<td>1,500</td>
<td>-</td>
</tr>
<tr>
<td>Appropriations Continued to Fiscal Year 2011</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(115)</td>
<td>(115)</td>
</tr>
<tr>
<td>Total Other Financing Sources (Uses)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,500</td>
<td>(13,615)</td>
<td>(15,115)</td>
</tr>
<tr>
<td><strong>Net Change in Fund Balances</strong></td>
<td>$85</td>
<td>10,741</td>
<td>10,656</td>
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<td>1,006</td>
<td>$2,453</td>
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<td>Budgetary Fund Balances - July 1</td>
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<td>21,293</td>
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<td>Changes in Reserves</td>
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<td>(1,385)</td>
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<td>Budgetary Fund Balances - June 30</td>
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<td>$20,914</td>
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</tr>
<tr>
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<td>Consumer Counsel &amp; Public Utility Control</td>
<td>Insurance</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>------------------------------</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Final Budget</td>
<td>Actual</td>
<td>Variance</td>
<td>Final Budget</td>
<td>Actual</td>
<td>Variance</td>
</tr>
<tr>
<td></td>
<td>$ 24,600</td>
<td>$ 21,115</td>
<td>$(3,485)</td>
<td>$ 25,700</td>
<td>$ 29,017</td>
<td>$ 3,317</td>
</tr>
<tr>
<td></td>
<td>24,600</td>
<td>21,115</td>
<td>(3,485)</td>
<td>25,700</td>
<td>29,017</td>
<td>3,317</td>
</tr>
<tr>
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<td>23,230</td>
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<td>2,679</td>
<td>25,153</td>
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<td>500</td>
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<td>263</td>
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<td>25,653</td>
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<td>1,370</td>
<td>564</td>
<td>(806)</td>
<td>47</td>
<td>5,712</td>
<td>5,665</td>
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<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$ 1,370</td>
<td>564</td>
<td>$(806)</td>
<td>$ 47</td>
<td>5,712</td>
<td>$ 5,665</td>
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<td>$ 11,501</td>
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</table>

Continued on next page
Connecticut

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Non-GAAP Budgetary Basis
Budgeted Nonmajor Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2010
(Expressed in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Criminal Injuries Compensation</th>
<th>Mashantucket Pequot and Mohegan Fund</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Final Budget</td>
<td>Actual</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budgeted:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Transfers In</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fees, Assessments, and Other Income</td>
<td>3,200</td>
<td>3,164</td>
</tr>
<tr>
<td>Total Budgeted Revenues</td>
<td>3,200</td>
<td>3,164</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
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<tr>
<td>Budgeted:</td>
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<td></td>
</tr>
<tr>
<td>Conservation and Development</td>
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<td>-</td>
</tr>
<tr>
<td>Human Services</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Judicial</td>
<td>3,415</td>
<td>3,110</td>
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<tr>
<td>Non Functional</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Budgeted Expenditures</td>
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<td>3,110</td>
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<td><strong>Excess (Deficiency) of Revenues Over Expenditures</strong></td>
<td>(215)</td>
<td>54</td>
</tr>
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<td><strong>Other Financing Sources (Uses)</strong></td>
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<td></td>
</tr>
<tr>
<td>Operating Transfer Out</td>
<td>-</td>
<td>(2,275)</td>
</tr>
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<td>Prior Year Appropriations Carried Forward</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Appropriations Continued to Fiscal Year 2011</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Other Financing Sources (Uses)</td>
<td>-</td>
<td>(2,275)</td>
</tr>
<tr>
<td><strong>Net Change in Fund Balances</strong></td>
<td>$ (215)</td>
<td>(2,221)</td>
</tr>
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<td>Budgetary Fund Balances - July 1</td>
<td>5,698</td>
<td>50</td>
</tr>
<tr>
<td>Changes in Reserves</td>
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<td>-</td>
</tr>
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<td>Budgetary Fund Balances - June 30</td>
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<td>$ 70</td>
</tr>
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<td></td>
<td>Regional Market</td>
<td>Soldiers, Sailors, and Marines</td>
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<tr>
<td>----------------</td>
<td>----------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td></td>
<td>Final Budget</td>
<td>Actual</td>
</tr>
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<td>818</td>
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</tr>
<tr>
<td>982</td>
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</table>
Capital Projects Funds

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

Infrastructure:
to account for the proceeds of bond issues and related capital project grants to finance the State’s transportation infrastructure program over a ten-year period. This program encompasses the planning, acquisition, removal, construction, equipping, reconstruction, repair, rehabilitation and improvement of, and acquisition of easements and rights-of-way with respect to, State highways and bridges, projects on the interstate highway system, alternate highway projects in the interstate substitution program (the “interstate trade-in program”), waterway facilities, aeronautic facilities (excluding Bradley International Airport), the highway safety program, maintenance garages, and administrative facilities of the Department, payment of the State’s share of the costs of the local bridge program and payment of State contributions to the local bridge revolving fund.

Other Transportation:
to account for the proceeds of bond issues and related grants to be used for other transportation related capital projects.
### Connecticut

**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
June 30, 2010  
(Expressed in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>State Facilities</th>
<th>State Infrastructure</th>
<th>State Transportation</th>
<th>State Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due From Other Funds</td>
<td>$363,975</td>
<td>$186,371</td>
<td>$1,576</td>
<td>$551,922</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$363,975</td>
<td>$186,371</td>
<td>$1,576</td>
<td>$551,922</td>
</tr>
<tr>
<td><strong>Liabilities and Fund Balances</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>$21,883</td>
<td>$22,206</td>
<td>-</td>
<td>$44,089</td>
</tr>
<tr>
<td>Notes Payable</td>
<td>54,970</td>
<td>-</td>
<td>-</td>
<td>54,970</td>
</tr>
<tr>
<td>Due To Other Funds</td>
<td>219,216</td>
<td>4,610</td>
<td>-</td>
<td>223,826</td>
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<tr>
<td>Total Liabilities</td>
<td>296,069</td>
<td>26,816</td>
<td>-</td>
<td>322,885</td>
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<td><strong>Fund Balances</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Unreserved</td>
<td>67,906</td>
<td>159,555</td>
<td>1,576</td>
<td>229,037</td>
</tr>
<tr>
<td>Total Fund Balances</td>
<td>67,906</td>
<td>159,555</td>
<td>1,576</td>
<td>229,037</td>
</tr>
<tr>
<td>Total Liabilities and Fund Balances</td>
<td>$363,975</td>
<td>$186,371</td>
<td>$1,576</td>
<td>$551,922</td>
</tr>
</tbody>
</table>
Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For The Fiscal Year Ended June 30, 2010
(Expressed in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>State Facilities</th>
<th>Infrastructure</th>
<th>Transportation</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 19</td>
<td>$ 19</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>-</td>
<td>-</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Projects</td>
<td>76,089</td>
<td>359,199</td>
<td>-</td>
<td>435,288</td>
</tr>
<tr>
<td>Debt Service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and Fiscal Charges</td>
<td>1,858</td>
<td>2,596</td>
<td>-</td>
<td>4,454</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>77,947</td>
<td>361,795</td>
<td>-</td>
<td>439,742</td>
</tr>
<tr>
<td>Excess (Deficiency) of Revenues</td>
<td>(77,947)</td>
<td>(361,795)</td>
<td>19</td>
<td>(439,723)</td>
</tr>
<tr>
<td>Over Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds Issued</td>
<td>302,965</td>
<td>500,000</td>
<td>-</td>
<td>802,965</td>
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<tr>
<td>Premium on Bonds Issued</td>
<td>15,578</td>
<td>12,338</td>
<td>-</td>
<td>27,916</td>
</tr>
<tr>
<td>Transfer Out</td>
<td>(327,740)</td>
<td>(10,492)</td>
<td>(5,028)</td>
<td>(343,260)</td>
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<tr>
<td>Total Other Financing Sources (Uses)</td>
<td>(9,197)</td>
<td>501,846</td>
<td>(5,028)</td>
<td>487,621</td>
</tr>
<tr>
<td>Net Change in Fund Balances</td>
<td>(87,144)</td>
<td>140,051</td>
<td>(5,009)</td>
<td>47,898</td>
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<td>Fund Balances - Beginning</td>
<td>155,050</td>
<td>19,504</td>
<td>6,585</td>
<td>181,139</td>
</tr>
<tr>
<td>Fund Balances - Ending</td>
<td>$ 67,906</td>
<td>$ 159,555</td>
<td>$ 1,576</td>
<td>$ 229,037</td>
</tr>
</tbody>
</table>

109
Permanent Funds

Soldiers’, Sailors’, and Marines’: to account for the principal and interest earned on investments of this fund. Interest earned has been earmarked by the General Assembly for the benefit of resident veterans to provide such things as food, wearing apparel, medical or surgical aid, care and relief, or funeral benefits.

Connecticut Arts Endowment: A fund established to support arts organizations throughout Connecticut. The fund administered by the Connecticut Commission on the Arts, finances grants to eligible arts organizations throughout the state.
# Combining Balance Sheet
## Nonmajor Permanent Funds
### June 30, 2010
(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Soldiers, Sailors, &amp; Marines</th>
<th>Connecticut Arts Endowment</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$528</td>
<td>$-</td>
<td>$5,912</td>
<td>$6,440</td>
</tr>
<tr>
<td>Investments</td>
<td>$61,699</td>
<td>$16,823</td>
<td>$14,671</td>
<td>$93,193</td>
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<tr>
<td>Securities Lending Collateral</td>
<td>$14,944</td>
<td>$4,040</td>
<td>$3,054</td>
<td>$22,038</td>
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<tr>
<td>Due From Other Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$77,171</strong></td>
<td><strong>$20,863</strong></td>
<td><strong>$23,641</strong></td>
<td><strong>$121,675</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Fund Balance</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due To Other Funds</td>
<td>$4,018</td>
<td>$-</td>
<td>$236</td>
<td>$4,254</td>
</tr>
<tr>
<td>Securities Lending Obligation</td>
<td>$14,944</td>
<td>$4,040</td>
<td>$3,054</td>
<td>$22,038</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$18,962</strong></td>
<td><strong>$4,040</strong></td>
<td><strong>$3,290</strong></td>
<td><strong>$26,292</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Balances</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserved For:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent Investments</td>
<td>$61,699</td>
<td>$16,823</td>
<td>$14,671</td>
<td>$93,193</td>
</tr>
<tr>
<td>Trust Activities</td>
<td>$(3,490)</td>
<td>-</td>
<td>$5,680</td>
<td>$2,190</td>
</tr>
<tr>
<td><strong>Total Fund Balances</strong></td>
<td><strong>$58,209</strong></td>
<td><strong>$16,823</strong></td>
<td><strong>$20,351</strong></td>
<td><strong>$95,383</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Fund Balances</strong></td>
<td><strong>$77,171</strong></td>
<td><strong>$20,863</strong></td>
<td><strong>$23,641</strong></td>
<td><strong>$121,675</strong></td>
</tr>
</tbody>
</table>
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Permanent Funds
For The Fiscal Year Ended June 30, 2010
(Expressed in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Soldiers, Sailors, &amp; Marines</th>
<th>Connecticut Arts Endowment</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>$7,738</td>
<td>$2,012</td>
<td>$1,754</td>
<td>$11,504</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$7,738</td>
<td>$2,012</td>
<td>$1,754</td>
<td>$11,504</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conservation and Development</td>
<td>-</td>
<td>852</td>
<td>-</td>
<td>852</td>
</tr>
<tr>
<td>Education, Libraries and Museums</td>
<td>-</td>
<td>-</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Judicial</td>
<td>-</td>
<td>-</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>-</td>
<td>852</td>
<td>31</td>
<td>883</td>
</tr>
<tr>
<td>Excess (Deficiency) of Revenues Over Expenditures</td>
<td>7,738</td>
<td>1,160</td>
<td>1,723</td>
<td>10,621</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers Out</td>
<td>(2,935)</td>
<td>-</td>
<td>(485)</td>
<td>(3,420)</td>
</tr>
<tr>
<td>Total Other Financing Sources (Uses)</td>
<td>(2,935)</td>
<td>-</td>
<td>(485)</td>
<td>(3,420)</td>
</tr>
<tr>
<td>Net Change in Fund Balances</td>
<td>4,803</td>
<td>1,160</td>
<td>1,238</td>
<td>7,201</td>
</tr>
<tr>
<td>Fund Balances - Beginning</td>
<td>53,406</td>
<td>15,663</td>
<td>19,113</td>
<td>88,182</td>
</tr>
<tr>
<td>Fund Balances - Ending</td>
<td>$58,209</td>
<td>$16,823</td>
<td>$20,351</td>
<td>$95,383</td>
</tr>
</tbody>
</table>
Connecticut

Enterprise Funds

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

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

Drinking Water:
to account for resources used to provide loans to municipalities to finance activities needed to achieve or maintain compliance with the Safe Drinking Water Act.
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2010
(Expressed in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Community/Technical Colleges</th>
<th>Second Injury &amp; Compensation Assurance</th>
<th>Bradley Parking Garage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$105,151</td>
<td>$45,622</td>
<td>$40</td>
</tr>
<tr>
<td>Accounts Receivable, Net of Allowances</td>
<td>6,528</td>
<td>5,907</td>
<td>1,187</td>
</tr>
<tr>
<td>Loans, Net of Allowances</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>-</td>
<td>-</td>
<td>156</td>
</tr>
<tr>
<td>Due From Other Funds</td>
<td>223,441</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due From Other Governments</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>257</td>
<td>42</td>
<td>-</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>335,377</td>
<td>51,571</td>
<td>1,383</td>
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<tr>
<td>Noncurrent Assets:</td>
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<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receivables:</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Loans, Net of Allowances</td>
<td>448</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted Assets</td>
<td>-</td>
<td>-</td>
<td>12,413</td>
</tr>
<tr>
<td>Capital Assets, Net of Accumulated Depreciation</td>
<td>515,841</td>
<td>3</td>
<td>32,400</td>
</tr>
<tr>
<td>Other Noncurrent Assets</td>
<td>-</td>
<td>-</td>
<td>835</td>
</tr>
<tr>
<td>Total Noncurrent Assets</td>
<td>516,289</td>
<td>3</td>
<td>45,648</td>
</tr>
<tr>
<td>Total Assets</td>
<td>851,666</td>
<td>51,574</td>
<td>47,031</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>46,410</td>
<td>11,969</td>
<td>2,413</td>
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<tr>
<td>Current Portion of Long-Term Debt</td>
<td>2,028</td>
<td>457</td>
<td>1,858</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>3,292</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>219</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>51,949</td>
<td>12,426</td>
<td>4,283</td>
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<tr>
<td>Noncurrent Liabilities:</td>
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<td></td>
<td></td>
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<tr>
<td>Noncurrent Portion of Long-Term Liabilities</td>
<td>38,966</td>
<td>1,317</td>
<td>66,537</td>
</tr>
<tr>
<td>Total Noncurrent Liabilities</td>
<td>38,966</td>
<td>1,317</td>
<td>66,537</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>90,915</td>
<td>13,743</td>
<td>70,820</td>
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<tr>
<td><strong>Net Assets (Deficit)</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Invested in Capital Assets, Net of Related Debt</td>
<td>515,841</td>
<td>-</td>
<td>(10,604)</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>-</td>
<td>-</td>
<td>4,508</td>
</tr>
<tr>
<td>Drinking Water Projects</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nonexpendable Purposes</td>
<td>20</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Purposes</td>
<td>206,983</td>
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<td>-</td>
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<tr>
<td>Unrestricted (Deficit)</td>
<td>37,907</td>
<td>37,831</td>
<td>(17,693)</td>
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<tr>
<td>Total Net Assets (Deficit)</td>
<td>$760,751</td>
<td>$37,831</td>
<td>$(23,789)</td>
</tr>
<tr>
<td>Drinking Water Operations (12-31-09)</td>
<td>Rate Reduction Bond Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>--------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 414 $ 22 $ 151,249</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- - $ 13,622</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8,021 - 8,021</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>314 - 470</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- - 223,441</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>441 - 441</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- - 299</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9,190 22 $ 397,543</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>42,915 - 42,915</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>233 - 233</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>61,465 - 61,913</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>51,727 - 64,140</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- - 548,244</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,212 - 2,047</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>157,552 - 719,492</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>166,742 22 $ 1,117,035</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>731 - 61,523</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4,055 - 8,398</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- - 3,292</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- - 231</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4,786 - 73,444</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>52,227 - 159,047</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>52,227 - 159,047</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>57,013 - 232,491</td>
<td></td>
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<tr>
<td>- - 505,237</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- - 4,508</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>95,026 - 95,026</td>
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<td></td>
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</tr>
<tr>
<td>- - 20</td>
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</tr>
<tr>
<td>- - 206,983</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14,703 22 $ 72,770</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 109,729 $ 22 $ 884,544</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For The Fiscal Year Ended June 30, 2010
(Expressed in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Community/ Technical Colleges</th>
<th>Second Injury &amp; Compensation Assurance</th>
<th>Bradley Parking Garage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessments</td>
<td>$</td>
<td>$ 29,490 $</td>
<td>$ -</td>
</tr>
<tr>
<td>Charges for Sales and Services</td>
<td>100,779</td>
<td>-</td>
<td>18,457</td>
</tr>
<tr>
<td>Federal Grants and Contracts</td>
<td>72,948</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State Grants and Contracts</td>
<td>16,786</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Private Gifts and Grants</td>
<td>6,156</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest on Loans</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>6,050</td>
<td>640</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>202,719</td>
<td>30,130</td>
<td>18,457</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries, Wages and Administrative</td>
<td>390,671</td>
<td>6,652</td>
<td>7,705</td>
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<tr>
<td>Claims Paid</td>
<td>-</td>
<td>38,144</td>
<td>-</td>
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<tr>
<td>Depreciation and Amortization</td>
<td>21,991</td>
<td>2</td>
<td>1,190</td>
</tr>
<tr>
<td>Other</td>
<td>35,299</td>
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<tr>
<td><strong>Total Operating Expenses</strong></td>
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<td>44,798</td>
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<tr>
<td><strong>Operating Income</strong></td>
<td>(245,242)</td>
<td>(14,668)</td>
<td>9,562</td>
</tr>
<tr>
<td><strong>Nonoperating Revenues (Expenses)</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Interest and Investment Income</td>
<td>296</td>
<td>171</td>
<td>335</td>
</tr>
<tr>
<td>Interest and Fiscal Charges</td>
<td>-</td>
<td>-</td>
<td>(3,620)</td>
</tr>
<tr>
<td>Other</td>
<td>867</td>
<td>-</td>
<td>(1,071)</td>
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<tr>
<td><strong>Total Nonoperating Income (Expense)</strong></td>
<td>1,163</td>
<td>171</td>
<td>(4,356)</td>
</tr>
<tr>
<td><strong>Income (Loss) Before Grants, Transfers, and Special Item</strong></td>
<td>(244,079)</td>
<td>(14,497)</td>
<td>5,206</td>
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<tr>
<td>Federal Capitalization Grants</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Transfers In</td>
<td>441,489</td>
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<tr>
<td>Transfers Out</td>
<td>-</td>
<td>-</td>
<td>(9,849)</td>
</tr>
<tr>
<td>Special Item: Transfer to General Fund</td>
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<tr>
<td><strong>Change in Net Assets</strong></td>
<td>196,410</td>
<td>(14,497)</td>
<td>(4,643)</td>
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<tr>
<td><strong>Total Net Assets (Deficit) - Beginning</strong></td>
<td>564,341</td>
<td>52,328</td>
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<td><strong>Total Net Assets (Deficit) - Ending</strong></td>
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<td>37,831</td>
<td>(23,789)</td>
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<tr>
<td>Drinking Water</td>
<td>Rate Reduction Bond Operations (12-31-09)</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>------------------------------------------</td>
<td>-------</td>
<td></td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>$</td>
<td>- $</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- $</td>
<td>29,490</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>119,236</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>72,948</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>16,786</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>6,156</td>
<td></td>
</tr>
<tr>
<td>1,678</td>
<td>-</td>
<td>1,678</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>6,690</td>
<td></td>
</tr>
<tr>
<td>1,678</td>
<td>-</td>
<td>252,984</td>
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<tr>
<td>3,091</td>
<td>162</td>
<td>408,281</td>
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<td>38,144</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>23,183</td>
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</tr>
<tr>
<td>3,977</td>
<td>-</td>
<td>39,276</td>
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<tr>
<td>7,068</td>
<td>162</td>
<td>508,884</td>
<td></td>
</tr>
<tr>
<td>(5,390)</td>
<td>(162)</td>
<td>(255,900)</td>
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</tr>
<tr>
<td>1,129</td>
<td>23</td>
<td>1,954</td>
<td></td>
</tr>
<tr>
<td>(2,649)</td>
<td>-</td>
<td>(6,269)</td>
<td></td>
</tr>
<tr>
<td>212</td>
<td>(11,829)</td>
<td>(11,821)</td>
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</tr>
<tr>
<td>(1,308)</td>
<td>(11,806)</td>
<td>(16,136)</td>
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<tr>
<td>(6,698)</td>
<td>(11,968)</td>
<td>(272,036)</td>
<td></td>
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<tr>
<td>11,695</td>
<td>-</td>
<td>11,695</td>
<td></td>
</tr>
<tr>
<td>2,620</td>
<td>-</td>
<td>444,109</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>(9,849)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>(1,000)</td>
<td></td>
</tr>
<tr>
<td>7,617</td>
<td>(11,968)</td>
<td>172,919</td>
<td></td>
</tr>
<tr>
<td>102,112</td>
<td>11,990</td>
<td>711,625</td>
<td></td>
</tr>
<tr>
<td>$</td>
<td>109,729</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>$</td>
<td></td>
<td>$</td>
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</tr>
<tr>
<td>$</td>
<td></td>
<td>884,544</td>
<td></td>
</tr>
</tbody>
</table>
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2010
(Expressed in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Community/ Technical Colleges</th>
<th>Second Injury &amp; Compensation Assurance</th>
<th>Bradley Parking Garage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from Customers</td>
<td>$97,135</td>
<td>$29,490</td>
<td>$18,457</td>
</tr>
<tr>
<td>Payments to Suppliers</td>
<td>(71,785)</td>
<td>-</td>
<td>(5,712)</td>
</tr>
<tr>
<td>Payments to Employees</td>
<td>(321,539)</td>
<td>(6,005)</td>
<td>(1,993)</td>
</tr>
<tr>
<td>Other Receipts (Payments)</td>
<td>(81,100)</td>
<td>(35,285)</td>
<td>4,447</td>
</tr>
<tr>
<td>Net Cash Provided by (Used in) Operating Activities</td>
<td>(377,289)</td>
<td>(11,800)</td>
<td>15,199</td>
</tr>
</tbody>
</table>

**Cash Flows from Noncapital Financing Activities**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from Sales of Bonds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Retirement of Bonds and Annuities Payable</td>
<td>-</td>
<td>-</td>
<td>(1,650)</td>
</tr>
<tr>
<td>Interest of Bonds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers In</td>
<td>241,385</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>-</td>
<td>-</td>
<td>(9,849)</td>
</tr>
<tr>
<td>Other Receipts (Payments)</td>
<td>8,701</td>
<td>-</td>
<td>(451)</td>
</tr>
<tr>
<td>Net Cash Flows from Noncapital Financing Activities</td>
<td>250,086</td>
<td>-</td>
<td>(11,950)</td>
</tr>
</tbody>
</table>

**Cash Flows from Capital and Related Financing Activities**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Additions to Property, Plant and Equipment</td>
<td>(7,625)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest Paid on Capital Debt</td>
<td>-</td>
<td>-</td>
<td>(3,620)</td>
</tr>
<tr>
<td>Federal Grant</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer In</td>
<td>202,412</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Receipts (Payments)</td>
<td>(45,995)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Cash Flows from Capital and Related Financing Activities</td>
<td>148,792</td>
<td>-</td>
<td>(3,620)</td>
</tr>
</tbody>
</table>

**Cash Flows from Investing Activities**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on Investments</td>
<td>372</td>
<td>171</td>
<td>335</td>
</tr>
<tr>
<td>(Increase) Decrease in Restricted Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Receipts (Payments)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Cash Flows from Investing Activities</td>
<td>372</td>
<td>171</td>
<td>335</td>
</tr>
<tr>
<td>Net Increase (Decrease) in Cash and Cash Equivalents</td>
<td>21,961</td>
<td>(11,629)</td>
<td>(36)</td>
</tr>
<tr>
<td>Cash and Cash Equivalents - Beginning of Year</td>
<td>83,190</td>
<td>57,251</td>
<td>76</td>
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<tr>
<td>Cash and Cash Equivalents - End of Year</td>
<td>$105,151</td>
<td>$45,622</td>
<td>$40</td>
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</table>

**Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>$245,242</td>
<td>$ (14,668)</td>
<td>$ 9,562</td>
</tr>
<tr>
<td>Adjustments not Affecting Cash:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>21,991</td>
<td>2</td>
<td>1,190</td>
</tr>
<tr>
<td>Other</td>
<td>(8,712)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in Assets and Liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) Decrease in Receivables, Net</td>
<td>(148,497)</td>
<td>2,244</td>
<td>(451)</td>
</tr>
<tr>
<td>(Increase) Decrease in Inventories and Other Assets</td>
<td>1,702</td>
<td>(25)</td>
<td>1,098</td>
</tr>
<tr>
<td>Increase (Decrease) in Accounts Payables &amp; Accrued Liabilities</td>
<td>1,469</td>
<td>647</td>
<td>3,800</td>
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<tr>
<td>Total Adjustments</td>
<td>(132,047)</td>
<td>2,868</td>
<td>5,637</td>
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<tr>
<td>Net Cash Provided by (Used In) Operating Activities</td>
<td>$377,289</td>
<td>$ (11,800)</td>
<td>$15,199</td>
</tr>
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</table>
## Connecticut

### Rate Reduction Bond

<table>
<thead>
<tr>
<th>Drinking Water Operations</th>
<th>Totals</th>
</tr>
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<tbody>
<tr>
<td>(12-31-09)</td>
<td></td>
</tr>
<tr>
<td><strong>Drinking Water Operations (12-31-09)</strong></td>
<td><strong>Totals</strong></td>
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<td>$ 7,062 $</td>
<td>-</td>
</tr>
<tr>
<td>(3,977)</td>
<td>-</td>
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<tr>
<td>(2,171)</td>
<td>(162)</td>
</tr>
<tr>
<td>(5,040)</td>
<td>-</td>
</tr>
<tr>
<td>(4,126)</td>
<td>(162)</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(3,964)</td>
<td>-</td>
</tr>
<tr>
<td>(2,405)</td>
<td>-</td>
</tr>
<tr>
<td>1,472</td>
<td>-</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>(11,828)</td>
</tr>
<tr>
<td>(4,897)</td>
<td>(11,828)</td>
</tr>
<tr>
<td>11,568</td>
<td>-</td>
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<tr>
<td>-</td>
<td>-</td>
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<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>11,568</td>
<td>-</td>
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<tr>
<td>1,141</td>
<td>22</td>
</tr>
<tr>
<td>1,507</td>
<td>-</td>
</tr>
<tr>
<td>(4,779)</td>
<td>-</td>
</tr>
<tr>
<td>(2,131)</td>
<td>22</td>
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<tr>
<td>414</td>
<td>(11,968)</td>
</tr>
<tr>
<td>-</td>
<td>11,990</td>
</tr>
<tr>
<td>$ 414</td>
<td>$ 22</td>
</tr>
<tr>
<td>$ (5,390)</td>
<td>$ (162)</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>76</td>
<td>-</td>
</tr>
<tr>
<td>1,188</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1,264</td>
<td>-</td>
</tr>
<tr>
<td>$ (4,126)</td>
<td>$ (162)</td>
</tr>
</tbody>
</table>
Internal Service Funds

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

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

**Information Technology:**
to account for the various services provided by the Department of Information Technology to other agencies. For example, information systems support, telecommunications, etc.
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**June 30, 2010**  
(Expressed in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Correction Industries</th>
<th>Information &amp; Technology</th>
<th>Administrative Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Current Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 3,109</td>
<td>$ 5,182</td>
<td>$ -</td>
<td>$ 8,291</td>
</tr>
<tr>
<td>Receivables, Net of Allowances</td>
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<td>141</td>
<td>84</td>
<td>244</td>
</tr>
<tr>
<td>Due From Other Funds</td>
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<td>-</td>
<td>-</td>
<td>357</td>
</tr>
<tr>
<td>Inventories</td>
<td>3,853</td>
<td>-</td>
<td>93</td>
<td>3,946</td>
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<tr>
<td>Other Current Assets</td>
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<td>-</td>
<td>1,919</td>
<td>1,919</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
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<td><strong>5,323</strong></td>
<td><strong>2,096</strong></td>
<td><strong>14,757</strong></td>
</tr>
<tr>
<td>Noncurrent Assets:</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Capital Assets, Net of Accumulated Depreciation</td>
<td>1,408</td>
<td>-</td>
<td>35,241</td>
<td>36,649</td>
</tr>
<tr>
<td><strong>Total Noncurrent Assets</strong></td>
<td><strong>1,408</strong></td>
<td><strong>-</strong></td>
<td><strong>35,241</strong></td>
<td><strong>36,649</strong></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>8,746</strong></td>
<td><strong>5,323</strong></td>
<td><strong>37,337</strong></td>
<td><strong>51,406</strong></td>
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<tr>
<td>Current Liabilities:</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>1,231</td>
<td>2,489</td>
<td>2,132</td>
<td>5,852</td>
</tr>
<tr>
<td>Due To Other Funds</td>
<td>-</td>
<td>-</td>
<td>66,931</td>
<td>66,931</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>-</td>
<td>-</td>
<td>129</td>
<td>129</td>
</tr>
<tr>
<td>Compensated Absences-Current Portion</td>
<td>56</td>
<td>19</td>
<td>43</td>
<td>118</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>1,287</strong></td>
<td><strong>2,508</strong></td>
<td><strong>69,235</strong></td>
<td><strong>73,030</strong></td>
</tr>
<tr>
<td>Noncurrent Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Noncurrent Portion of Long-Term Debt</td>
<td>-</td>
<td>705</td>
<td>-</td>
<td>705</td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>883</td>
<td>645</td>
<td>834</td>
<td>2,362</td>
</tr>
<tr>
<td>Advances From Other Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Noncurrent Liabilities</strong></td>
<td><strong>883</strong></td>
<td><strong>1,350</strong></td>
<td><strong>834</strong></td>
<td><strong>3,067</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>2,170</strong></td>
<td><strong>3,858</strong></td>
<td><strong>70,069</strong></td>
<td><strong>76,097</strong></td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in Capital Assets, Net of Related Debt</td>
<td>1,408</td>
<td>-</td>
<td>35,241</td>
<td>36,649</td>
</tr>
<tr>
<td>Unrestricted (Deficit)</td>
<td>5,168</td>
<td>1,465</td>
<td>(67,973)</td>
<td>(61,340)</td>
</tr>
<tr>
<td><strong>Total Net Assets (Deficit)</strong></td>
<td><strong>$ 6,576</strong></td>
<td><strong>$ 1,465</strong></td>
<td><strong>(32,732)</strong></td>
<td><strong>(24,691)</strong></td>
</tr>
</tbody>
</table>
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Internal Service Funds

For The Fiscal Year Ended June 30, 2010

(Expressed in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Correction Industries</th>
<th>Information &amp; Technology</th>
<th>Administrative Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Sales and Services</td>
<td>$21,070</td>
<td>$7,155</td>
<td>$27,048</td>
<td>$55,273</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>13</td>
<td>8</td>
<td>-</td>
<td>21</td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>21,083</td>
<td>7,163</td>
<td>27,048</td>
<td>55,294</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries, Wages and Administrative</td>
<td>20,697</td>
<td>1,600</td>
<td>12,253</td>
<td>34,550</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>544</td>
<td>-</td>
<td>16,555</td>
<td>17,099</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>21,241</td>
<td>1,600</td>
<td>28,808</td>
<td>51,649</td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>(158)</td>
<td>5,563</td>
<td>(1,760)</td>
<td>3,645</td>
</tr>
<tr>
<td>Nonoperating Revenue (Expenses)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Other Nonoperating Expense</td>
<td>(319)</td>
<td>(12,885)</td>
<td>-</td>
<td>(13,204)</td>
</tr>
<tr>
<td>Total Nonoperating Revenues (Expenses)</td>
<td>(307)</td>
<td>(12,885)</td>
<td>-</td>
<td>(13,192)</td>
</tr>
<tr>
<td>Income (Loss) Before Transfers and Special Item</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Item</td>
<td>(465)</td>
<td>(7,322)</td>
<td>(1,760)</td>
<td>(9,547)</td>
</tr>
<tr>
<td>Transfers In</td>
<td>-</td>
<td>715</td>
<td>-</td>
<td>715</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>-</td>
<td>(100)</td>
<td>-</td>
<td>(100)</td>
</tr>
<tr>
<td>Special Item: Transfer to General Fund</td>
<td>(1,200)</td>
<td>(3,900)</td>
<td>-</td>
<td>(5,100)</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>(1,665)</td>
<td>(10,607)</td>
<td>(1,760)</td>
<td>(14,032)</td>
</tr>
<tr>
<td>Total Net Assets (Deficit) - Beginning</td>
<td>8,241</td>
<td>12,072</td>
<td>(30,972)</td>
<td>(10,659)</td>
</tr>
<tr>
<td>Total Net Assets (Deficit) - Ending</td>
<td>$6,576</td>
<td>$1,465</td>
<td>$(32,732)</td>
<td>$(24,691)</td>
</tr>
</tbody>
</table>
# Connecticut

## Combining Statement of Cash Flows
### Internal Service Funds
For the Fiscal Year Ended June 30, 2010
(Expressed in Thousands)

### Cash Flows from Operating Activities

<table>
<thead>
<tr>
<th></th>
<th>Correction Industries</th>
<th>Information Technology</th>
<th>Administrative Services</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from Customers</td>
<td>$ 21,545</td>
<td>$ 9,215</td>
<td>$ 27,077</td>
<td>$ 57,837</td>
</tr>
<tr>
<td>Payments to Suppliers</td>
<td>(17,808)</td>
<td>(95)</td>
<td>(17,694)</td>
<td>(35,597)</td>
</tr>
<tr>
<td>Payments to Employees</td>
<td>(2,846)</td>
<td>(3,094)</td>
<td>(7,856)</td>
<td>(13,796)</td>
</tr>
<tr>
<td>Other Receipts (Payments)</td>
<td>(1,361)</td>
<td>(2,485)</td>
<td>(1,919)</td>
<td>(5,765)</td>
</tr>
<tr>
<td></td>
<td>(470)</td>
<td>3,541</td>
<td>(392)</td>
<td>2,679</td>
</tr>
</tbody>
</table>

### Cash Flows from Capital and Related Financing Activities

<table>
<thead>
<tr>
<th></th>
<th>Correction Industries</th>
<th>Information Technology</th>
<th>Administrative Services</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additions to Property, Plant and Equipment</td>
<td>(375)</td>
<td>-</td>
<td>-</td>
<td>(375)</td>
</tr>
<tr>
<td>Other Receipts (Payments)</td>
<td>-</td>
<td>7,724</td>
<td>392</td>
<td>8,116</td>
</tr>
<tr>
<td></td>
<td>(375)</td>
<td>7,724</td>
<td>392</td>
<td>7,741</td>
</tr>
</tbody>
</table>

### Cash Flows from Noncapital Financing Activities

<table>
<thead>
<tr>
<th></th>
<th>Correction Industries</th>
<th>Information Technology</th>
<th>Administrative Services</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Receipts (Payments)</td>
<td>(319)</td>
<td>(12,886)</td>
<td>-</td>
<td>(13,205)</td>
</tr>
<tr>
<td></td>
<td>(319)</td>
<td>(12,886)</td>
<td>-</td>
<td>(13,205)</td>
</tr>
</tbody>
</table>

### Cash Flows from Investing Activities

<table>
<thead>
<tr>
<th></th>
<th>Correction Industries</th>
<th>Information Technology</th>
<th>Administrative Services</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on Investments</td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Net Increase (Decrease) in Cash and Cash Equivalents</td>
<td>(1,152)</td>
<td>(1,621)</td>
<td>-</td>
<td>(2,773)</td>
</tr>
<tr>
<td>Cash and Cash Equivalents - Beginning of Year</td>
<td>4,261</td>
<td>6,803</td>
<td>-</td>
<td>11,064</td>
</tr>
<tr>
<td>Cash and Cash Equivalents - End of Year</td>
<td>$ 3,109</td>
<td>$ 5,182</td>
<td>-</td>
<td>$ 8,291</td>
</tr>
</tbody>
</table>

### Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities

<table>
<thead>
<tr>
<th></th>
<th>Correction Industries</th>
<th>Information Technology</th>
<th>Administrative Services</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income (Loss)</td>
<td>$ (158)</td>
<td>$ 5,563</td>
<td>$ (1,760)</td>
<td>$ 3,645</td>
</tr>
<tr>
<td>Adjustments Not Affecting Cash:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>544</td>
<td>-</td>
<td>16,555</td>
<td>17,099</td>
</tr>
<tr>
<td>Other</td>
<td>(1,200)</td>
<td>(3,285)</td>
<td>-</td>
<td>(4,485)</td>
</tr>
<tr>
<td>Change in Assets and Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) Decrease in Receivables, Net</td>
<td>25</td>
<td>(58)</td>
<td>29</td>
<td>(4)</td>
</tr>
<tr>
<td>(Increase) Decrease in Due From Other Funds</td>
<td>450</td>
<td>2,118</td>
<td>-</td>
<td>2,568</td>
</tr>
<tr>
<td>(Increase) Decrease in Inventories and Other Assets</td>
<td>(174)</td>
<td>792</td>
<td>(1,919)</td>
<td>(1,301)</td>
</tr>
<tr>
<td>Increase (Decrease) in Accounts Payables &amp; Accrued Liabilities</td>
<td>43</td>
<td>(1,589)</td>
<td>(13,297)</td>
<td>(14,843)</td>
</tr>
<tr>
<td>Total Adjustments</td>
<td>(312)</td>
<td>(2,022)</td>
<td>1,368</td>
<td>(966)</td>
</tr>
<tr>
<td></td>
<td>(470)</td>
<td>3,541</td>
<td>(392)</td>
<td>2,679</td>
</tr>
</tbody>
</table>
Pension and (Other Employee Benefit) Trust Funds

Pension Trust Funds:
See notes 11 and 12 for a description of the Pension Trust Funds.

Retired Teachers’ Health Benefits Plan:
to account for resources used to provide health benefits to retired teachers and their beneficiaries. The plan is administered by the Teachers’ Retirement Board.

Policemen, Firemen Survivors’ Benefits Plan:
to account for resources used to provide benefits to the survivors of policemen and firemen. The plan is administered by the State Comptroller’s Retirement Division.

State Employees’ Health Benefits Plan:
to account for resources used to provide health benefits to retired State employees and their beneficiaries. The plan is administered by the State Comptroller’s Retirement Division.
### Combining Statement of Fiduciary Net Assets
#### Pension (and Other Employee Benefit) Trust Funds

June 30, 2010
(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Assets</th>
<th>State Employees</th>
<th>State Teachers</th>
<th>Judicial Employees</th>
<th>Connecticut Municipal Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$</td>
<td>-</td>
<td>$1,095</td>
<td>$</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts, Net of Allowances</td>
<td>2,088</td>
<td>8,939</td>
<td>7</td>
<td>7,409</td>
</tr>
<tr>
<td>From Other Governments</td>
<td>-</td>
<td>2,219</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>From Other Funds</td>
<td>(8)</td>
<td>(7)</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Interest</td>
<td>28</td>
<td>49</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Investments</td>
<td>7,789,607</td>
<td>12,273,555</td>
<td>149,775</td>
<td>1,470,621</td>
</tr>
<tr>
<td>Securities Lending Collateral</td>
<td>979,674</td>
<td>1,518,160</td>
<td>27,783</td>
<td>248,333</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>8,771,389</td>
<td>13,804,010</td>
<td>177,567</td>
<td>1,726,371</td>
</tr>
</tbody>
</table>

| Liabilities | | | | |
| Accounts Payable and Accrued Liabilities | 15 | - | - | - |
| Securities Lending Obligation | 979,674 | 1,518,160 | 27,783 | 248,333 |
| Due to Other Funds | 358 | 1,520 | - | 131 |
| **Total Liabilities** | 980,047 | 1,519,680 | 27,783 | 248,464 |

<p>| Net Assets | | | | |
| Held in Trust For Employee | | | | |
| Pension and Other Benefits | 7,791,342 | 12,284,330 | 149,784 | 1,477,907 |
| <strong>Total Net Assets</strong> | $7,791,342 | $12,284,330 | $149,784 | $1,477,907 |</p>
<table>
<thead>
<tr>
<th>Pension Trust</th>
<th>Other Employee Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Probate Judges</td>
<td>Other</td>
</tr>
<tr>
<td>$33</td>
<td>$234</td>
</tr>
<tr>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>71,821</td>
<td>991</td>
</tr>
<tr>
<td>12,191</td>
<td>172</td>
</tr>
<tr>
<td>84,050</td>
<td>1,397</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>12,191</td>
<td>172</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>12,191</td>
<td>172</td>
</tr>
<tr>
<td>71,859</td>
<td>1,225</td>
</tr>
<tr>
<td>$71,859</td>
<td>$1,225</td>
</tr>
</tbody>
</table>
## Combining Statement of Changes in Fiduciary Net Assets

### Pension (and Other Employee Benefit) Trust Funds

For The Fiscal Year Ended June 30, 2010  
(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Pension Trust</th>
<th>State Employees</th>
<th>State Teachers</th>
<th>Judicial</th>
<th>Connecticut Municipal Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Additions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan Members</td>
<td>$65,662</td>
<td>$252,975</td>
<td>$1,570</td>
<td>$15,879</td>
</tr>
<tr>
<td>State</td>
<td>720,527</td>
<td>559,224</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Municipalities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>38,437</td>
</tr>
<tr>
<td>Total Contributions</td>
<td>786,189</td>
<td>812,199</td>
<td>1,570</td>
<td>54,316</td>
</tr>
<tr>
<td>Investment Income</td>
<td>986,656</td>
<td>1,538,815</td>
<td>19,350</td>
<td>174,508</td>
</tr>
<tr>
<td>Less: Investment Expenses</td>
<td>(31,745)</td>
<td>(48,923)</td>
<td>(623)</td>
<td>(5,614)</td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>954,911</td>
<td>1,489,892</td>
<td>18,727</td>
<td>168,894</td>
</tr>
<tr>
<td>Transfers In</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>201</td>
<td>-</td>
<td>989</td>
</tr>
<tr>
<td>Total Additions</td>
<td>1,741,100</td>
<td>2,302,292</td>
<td>20,297</td>
<td>224,199</td>
</tr>
<tr>
<td><strong>Deductions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative Expense</td>
<td>417</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Benefit Payments and Refunds</td>
<td>1,272,121</td>
<td>1,428,516</td>
<td>18,694</td>
<td>95,514</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>126</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Total Deductions</td>
<td>1,272,538</td>
<td>1,428,642</td>
<td>18,694</td>
<td>95,517</td>
</tr>
<tr>
<td>Changes in Net Assets</td>
<td>468,562</td>
<td>873,650</td>
<td>1,603</td>
<td>128,682</td>
</tr>
<tr>
<td><strong>Net Assets Held in Trust For</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pension and Other Employee Benefits</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of Year</td>
<td>7,322,780</td>
<td>11,410,680</td>
<td>148,181</td>
<td>1,349,225</td>
</tr>
<tr>
<td>End of Year</td>
<td>$7,791,342</td>
<td>$12,284,330</td>
<td>$149,784</td>
<td>$1,477,907</td>
</tr>
<tr>
<td>Probate Judges</td>
<td>Other</td>
<td>Retired Teacher</td>
<td>Healthcare Plan</td>
<td>Policemen, Firemen,</td>
</tr>
<tr>
<td>----------------</td>
<td>-------</td>
<td>----------------</td>
<td>----------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>$ 297</td>
<td>$ 52</td>
<td>$ 71,946</td>
<td>$ 452</td>
<td>$ -</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>12,108</td>
<td>-</td>
<td>555,131</td>
</tr>
<tr>
<td>297</td>
<td>52</td>
<td>84,054</td>
<td>453</td>
<td>555,131</td>
</tr>
<tr>
<td>8,577</td>
<td>93</td>
<td>181</td>
<td>2,140</td>
<td>177</td>
</tr>
<tr>
<td>(276)</td>
<td>(2)</td>
<td>-</td>
<td>(69)</td>
<td>-</td>
</tr>
<tr>
<td>8,301</td>
<td>91</td>
<td>181</td>
<td>2,071</td>
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<tr>
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<td>-</td>
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<td>3,175</td>
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<td>544,313</td>
</tr>
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<td>2,751</td>
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</tr>
<tr>
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</tr>
<tr>
<td>66,298</td>
<td>1,084</td>
<td>65,654</td>
<td>17,818</td>
<td>24,661</td>
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<tr>
<td>$ 71,859</td>
<td>$ 1,225</td>
<td>$ 66,514</td>
<td>$ 19,434</td>
<td>$ 35,656</td>
</tr>
</tbody>
</table>
Agency Funds

*Insurance Companies’ Securities:* To account for securities that are deposited with the Treasurer to be held for policyholders of insurance companies as a prerequisite to such companies transacting business with the State.
Connecticut

Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2009
(Expressed in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Fringe Benefit</th>
<th>Receipts Pending</th>
<th>Insurance Companies' Securities</th>
<th>State Institution Activity</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$34</td>
<td>$ -</td>
<td>$ -</td>
<td>$29,532</td>
<td>$50,403</td>
<td>$79,969</td>
</tr>
<tr>
<td>Accounts, Net of Allowances</td>
<td>-</td>
<td>2,233</td>
<td>-</td>
<td>4,962</td>
<td>-</td>
<td>7,195</td>
</tr>
<tr>
<td>From Other Funds</td>
<td>5,670</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7</td>
<td>5,670</td>
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<td>Interest</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>7</td>
<td>10</td>
<td>17</td>
</tr>
<tr>
<td>Inventories</td>
<td>-</td>
<td>-</td>
<td>7</td>
<td>17</td>
<td>24</td>
<td>17</td>
</tr>
<tr>
<td>Other Assets</td>
<td>-</td>
<td>-</td>
<td>328,510</td>
<td>731</td>
<td>38,620</td>
<td>367,861</td>
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<tr>
<td>Total Assets</td>
<td>$5,704</td>
<td>$2,233</td>
<td>$328,510</td>
<td>$35,245</td>
<td>$89,030</td>
<td>$460,722</td>
</tr>
</tbody>
</table>

| Liabilities          |                |                  |                                 |                            |       |       |
| Accounts Payable and Accrued Liabilities | $ - | $ 7,499 | $ - | 816 | $222 | 8,537 |
| Due To Other Funds   | -              | 19,411           | -                               | -                          | -     | 19,411 |
| Funds Held for Others| 5,704          | (24,677)         | 328,510                         | 34,429                     | 88,808 | 432,774 |
| Total Liabilities    | $5,704         | $2,233           | $328,510                        | $35,245                    | $89,030 | $460,722 |
## Combining Statement of Changes in Assets and Liabilities
### Agency Funds
For The Fiscal Year Ended June 30, 2010
(Expressed in Thousands)

### Fringe Benefit Clearing

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
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<td></td>
<td>July 1, 2009</td>
<td></td>
<td></td>
<td>June 30, 2010</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 33</td>
<td>$ 1</td>
<td>$ -</td>
<td>$ 34</td>
</tr>
<tr>
<td>From Other Funds</td>
<td>$ 5,612</td>
<td>$ 5,670</td>
<td>$ 5,612</td>
<td>$ 5,670</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$ 5,645</td>
<td>$ 5,671</td>
<td>$ 5,612</td>
<td>$ 5,704</td>
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<tr>
<td><strong>Liabilities</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funds Held for Others</td>
<td>$ 5,645</td>
<td>$ 5,679</td>
<td>$ 5,620</td>
<td>$ 5,704</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$ 5,645</td>
<td>$ 5,679</td>
<td>$ 5,620</td>
<td>$ 5,704</td>
</tr>
</tbody>
</table>

### Receipts Pending Distribution

|                                | Balance      | Additions    | Deletions | Balance      |
|                                |              |              |           |              |
| **Assets**                     |              |              |           |              |
| Accounts, Net of Allowances    | $ 1,520      | $ 2,233      | $ 1,520   | $ 2,233      |
| **Total Assets**               | $ 1,520      | $ 2,233      | $ 1,520   | $ 2,233      |
| **Liabilities**                |              |              |           |              |
| Accounts Payable and Accrued Liabilities | $ 7,192  | $ 7,499      | $ 7,192   | $ 7,499      |
| Due To Other Funds             | $ 16,857     | $ 19,411     | $ 16,857  | $ 19,411     |
| Funds Held for Others          | $ (22,529)   | $ 2,473      | $ 4,621   | $ (24,677)   |
| **Total Liabilities**          | $ 1,520      | $ 29,383     | $ 28,670  | $ 2,233      |

### Insurance Companies Securities

|                                | Balance      | Additions    | Deletions | Balance      |
|                                |              |              |           |              |
| **Assets**                     |              |              |           |              |
| Other Assets                   | $ 326,153    | $ 328,510    | $ 326,153 | $ 328,510    |
| **Total Assets**               | $ 326,153    | $ 328,510    | $ 326,153 | $ 328,510    |
| **Liabilities**                |              |              |           |              |
| Funds Held for Others          | $ 326,153    | $ 328,510    | $ 326,153 | $ 328,510    |
| **Total Liabilities**          | $ 326,153    | $ 328,510    | $ 326,153 | $ 328,510    |

### State Institution Activity

|                                | Balance      | Additions    | Deletions | Balance      |
|                                |              |              |           |              |
| **Assets**                     |              |              |           |              |
| Cash and Cash Equivalents      | $ 25,701     | $ 29,532     | $ 25,701  | $ 29,532     |
| Accounts, Net of Allowances    | $ 3,421      | $ 4,962      | $ 3,421   | $ 4,962      |
| Interest                       | $ 5          | $ 3          | $ 5       | $ 3          |
| Inventories                    | $ 452        | $ 17         | $ 452     | $ 17         |
| Other Assets                   | $ 296        | $ 731        | $ 296     | $ 731        |
| **Total Assets**               | $ 29,875     | $ 35,245     | $ 29,875  | $ 35,245     |
| **Liabilities**                |              |              |           |              |
| Accounts Payable and Accrued Liabilities | $ 817    | $ 816        | $ 817     | $ 816        |
| Funds Held for Others          | $ 29,058     | $ 34,429     | $ 29,058  | $ 34,429     |
| **Total Liabilities**          | $ 29,875     | $ 35,245     | $ 29,875  | $ 35,245     |

*continues*
## Combining Statement of Changes in Assets and Liabilities

### Agency Funds
For The Fiscal Year Ended June 30, 2010
(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Balance July 1, 2009</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance June 30, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 66,194</td>
<td>$ 50,403</td>
<td>$ 66,194</td>
<td>$ 50,403</td>
</tr>
<tr>
<td>Interest</td>
<td>18</td>
<td>7</td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td>Other Assets</td>
<td>38,172</td>
<td>38,620</td>
<td>38,172</td>
<td>38,620</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$ 104,384</td>
<td>$ 89,030</td>
<td>$ 104,384</td>
<td>$ 89,030</td>
</tr>
</tbody>
</table>

| Liabilities                      |                      |           |           |                       |
| Accounts Payable and Accrued Liabilities | $ 1,107            | $ 222     | $ 1,107   | $ 222                 |
| Funds Held for Others            | 103,277             | 88,808    | 103,277   | 88,808                |
| Total Liabilities                | $ 104,384           | $ 89,030  | $ 104,384 | $ 89,030              |

### Total - All Agency Funds

<table>
<thead>
<tr>
<th>Assets</th>
<th>Balance July 1, 2009</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance June 30, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 91,928</td>
<td>$ 79,936</td>
<td>$ 91,895</td>
<td>$ 79,969</td>
</tr>
<tr>
<td>Accounts, Net of Allowances</td>
<td>4,941</td>
<td>7,195</td>
<td>4,941</td>
<td>7,195</td>
</tr>
<tr>
<td>From Other Funds</td>
<td>5,612</td>
<td>5,670</td>
<td>5,612</td>
<td>5,670</td>
</tr>
<tr>
<td>Interest</td>
<td>23</td>
<td>10</td>
<td>23</td>
<td>10</td>
</tr>
<tr>
<td>Inventories</td>
<td>452</td>
<td>17</td>
<td>452</td>
<td>17</td>
</tr>
<tr>
<td>Other Assets</td>
<td>364,621</td>
<td>367,861</td>
<td>364,621</td>
<td>367,861</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$ 467,577</td>
<td>$ 460,689</td>
<td>$ 467,544</td>
<td>$ 460,722</td>
</tr>
</tbody>
</table>

| Liabilities                      |                      |           |           |                       |
| Accounts Payable and Accrued Liabilities | $ 9,116            | $ 8,537   | $ 9,116   | $ 8,537               |
| Due To Other Funds               | 16,857              | 19,411    | 16,857    | 19,411                |
| Funds Held for Others            | 441,604             | 459,899   | 468,729   | 432,774               |
| Total Liabilities                | $ 467,577           | $ 487,847 | $ 494,702 | $ 460,722             |
Component Units

Connecticut Development Authority:
the Connecticut Development Authority is a public instrumentality and political subdivision of the State. The Authority was created to stimulate industrial and commercial development within the State through its Self-Sustaining Bond Program, its Umbrella Program, and its Insurance Program.

Connecticut Resources Recovery Authority:
the Connecticut Resources Recovery Authority is a public instrumentality and political subdivision of the State. The Authority is responsible for implementing the State’s solid waste management plan, which includes design, construction, and operation of resources recovery facilities, and the marketing of recovered products.

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

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

Connecticut Innovations, Incorporated:
Connecticut Innovations is a public instrumentality and political subdivision of the State. It was established to stimulate and promote technological innovation and application of technology within Connecticut by providing financial technical assistance.
# Combining Statement of Net Assets
## Nonmajor Component Units
### June 30, 2010
(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Connecticut Development Authority</th>
<th>Connecticut Higher Education Supplemental Loan Authority</th>
<th>Connecticut Resources Recovery Authority</th>
<th>Connecticut Innovations, Authority Incorporated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and Cash Equivalents</strong></td>
<td>$31,301</td>
<td>$1,136</td>
<td>$79,031</td>
<td>$40,078</td>
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<tr>
<td><strong>Investments</strong></td>
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<td>-</td>
<td>-</td>
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</tr>
<tr>
<td><strong>Accounts, Net of Allowances</strong></td>
<td>-</td>
<td>12</td>
<td>22,571</td>
<td>-</td>
</tr>
<tr>
<td><strong>Loans, Net of Allowances</strong></td>
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<td>13,760</td>
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<tr>
<td><strong>Interest Receivable</strong></td>
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<td>618</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Due From Primary Government</strong></td>
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<td>-</td>
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</tr>
<tr>
<td><strong>Restricted Assets</strong></td>
<td>34,343</td>
<td>46,410</td>
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<tr>
<td><strong>Inventories</strong></td>
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<td><strong>Other Current Assets</strong></td>
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<td>1,144</td>
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<tr>
<td><strong>Total Current Assets</strong></td>
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<td>49,869</td>
<td>153,026</td>
<td>45,351</td>
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<tr>
<td><strong>Investments</strong></td>
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<td>38,004</td>
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<td><strong>Accounts, Net of Allowances</strong></td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Loans, Net of Allowances</strong></td>
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<td>106,719</td>
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<tr>
<td><strong>Restricted Assets</strong></td>
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<td>15,617</td>
<td>23,251</td>
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<tr>
<td><strong>Capital Assets, Net of Accumulated Depreciation</strong></td>
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<td>-</td>
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<td><strong>Other Noncurrent Assets</strong></td>
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<td>174,780</td>
<td>308,525</td>
<td>83,978</td>
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</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Connecticut Development Authority</th>
<th>Connecticut Higher Education Supplemental Loan Authority</th>
<th>Connecticut Resources Recovery Authority</th>
<th>Connecticut Innovations, Authority Incorporated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accounts Payable &amp; Accrued Liabilities</strong></td>
<td>1,536</td>
<td>970</td>
<td>19,253</td>
<td>1,697</td>
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<tr>
<td><strong>Current Portion of Long-Term Obligations</strong></td>
<td>3,810</td>
<td>10,411</td>
<td>14,523</td>
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<td><strong>Other Liabilities</strong></td>
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<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>6,218</td>
<td>11,381</td>
<td>33,776</td>
<td>1,728</td>
</tr>
<tr>
<td><strong>Noncurrent Liabilities</strong></td>
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<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Noncurrent Portion of Long-Term Obligations</strong></td>
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<tr>
<td><strong>Total Noncurrent Liabilities</strong></td>
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<td>56,906</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
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<td>161,627</td>
<td>90,682</td>
<td>1,728</td>
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</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
<th>Connecticut Development Authority</th>
<th>Connecticut Higher Education Supplemental Loan Authority</th>
<th>Connecticut Resources Recovery Authority</th>
<th>Connecticut Innovations, Authority Incorporated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Invested in Capital Assets, Net of Related Debt</strong></td>
<td>93</td>
<td>-</td>
<td>120,895</td>
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<td><strong>Restricted:</strong></td>
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<td>5,559</td>
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<tr>
<td><strong>Debt Service</strong></td>
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</tr>
<tr>
<td><strong>Expendable Endowments</strong></td>
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</tr>
<tr>
<td><strong>Nonexpendable Endowments</strong></td>
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</tr>
<tr>
<td><strong>Other Purposes</strong></td>
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<tr>
<td><strong>Unrestricted</strong></td>
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<td>12,153</td>
<td>59,933</td>
<td>81,627</td>
</tr>
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<td><strong>Total Net Assets</strong></td>
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<td>Economic Development Authority</td>
<td>UConn Foundation</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>---------------------------------</td>
<td>------------------</td>
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<tr>
<td>$ 7,054</td>
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<td>$ 160,057</td>
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<tr>
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<td>306,714</td>
<td>309,304</td>
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<td>513</td>
<td>5,615</td>
<td>28,711</td>
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</tr>
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<td>-</td>
<td>19,133</td>
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</tr>
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<td>1,164</td>
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</tr>
<tr>
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<td>-</td>
<td>13,019</td>
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<td></td>
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<td>16,584</td>
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</tr>
<tr>
<td></td>
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<td>157,883</td>
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<td></td>
</tr>
<tr>
<td>5,594</td>
<td>912</td>
<td>66,391</td>
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</tr>
<tr>
<td>290,118</td>
<td>4,793</td>
<td>425,148</td>
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</tr>
<tr>
<td>6,337</td>
<td>1,094</td>
<td>13,036</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>302,049</td>
<td>23,383</td>
<td>718,274</td>
<td></td>
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<tr>
<td></td>
<td>309,875</td>
<td>337,169</td>
<td>1,338,876</td>
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<td>2,402</td>
<td>3,630</td>
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<td>2,952</td>
<td>230</td>
<td>31,926</td>
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<td>-</td>
<td>-</td>
<td>903</td>
<td></td>
<td></td>
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<tr>
<td>5,354</td>
<td>3,860</td>
<td>62,317</td>
<td></td>
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<tr>
<td>130,723</td>
<td>9,469</td>
<td>372,363</td>
<td></td>
<td></td>
</tr>
<tr>
<td>130,723</td>
<td>9,469</td>
<td>372,363</td>
<td></td>
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<tr>
<td>136,077</td>
<td>13,329</td>
<td>434,680</td>
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<tr>
<td>162,566</td>
<td>(1,540)</td>
<td>282,637</td>
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</tr>
<tr>
<td></td>
<td>-</td>
<td>5,559</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>79,812</td>
<td>79,812</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>258,498</td>
<td>258,498</td>
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<tr>
<td>5,594</td>
<td>-</td>
<td>50,380</td>
<td></td>
<td></td>
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<tr>
<td>5,638</td>
<td>(12,930)</td>
<td>227,310</td>
<td></td>
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<tr>
<td></td>
<td>$ 173,798</td>
<td>$ 323,840</td>
<td>$ 904,196</td>
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</table>
## Combining Statement of Activities
### Nonmajor Component Units
For The Fiscal Year Ended June 30, 2010
(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Capital Grants and Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connecticut Development Authority</td>
<td>$10,032</td>
<td>$8,117</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Connecticut Higher Education Supplemental Loan Authority</td>
<td>$11,185</td>
<td>8,892</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Connecticut Resources Recovery Authority</td>
<td>$153,366</td>
<td>143,992</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Connecticut Innovations, Incorporated</td>
<td>$4,966</td>
<td>921</td>
<td>-</td>
<td>1,309</td>
</tr>
<tr>
<td>Capital City Economic Development Authority</td>
<td>$34,718</td>
<td>15,518</td>
<td>6,185</td>
<td>-</td>
</tr>
<tr>
<td>UConn Foundation</td>
<td>$36,769</td>
<td>12,279</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Nonmajor Component Units</td>
<td>$251,036</td>
<td>$189,719</td>
<td>$6,185</td>
<td>$1,309</td>
</tr>
</tbody>
</table>

General Revenues:
- Investment Income (Loss)
- Contributions to Endowments
- Total General Revenues and Contributions
- Change in Net Assets
- Total Net Assets - Beginning
- Total Net Assets - Ending
## Connecticut

### Net (Expense) Revenue and Changes in Net Assets

<table>
<thead>
<tr>
<th>Connecticut Development Authority</th>
<th>Connecticut Higher Education Supplemental Loan Authority</th>
<th>Connecticut Resources Recovery Authority</th>
<th>Connecticut Innovations, Incorporated Authority</th>
<th>Capital City Economic Development Authority</th>
<th>UConn Foundation</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (1,915)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,915)</td>
</tr>
<tr>
<td>-</td>
<td>(2,293)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2,293)</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>(9,374)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(9,374)</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>(2,736)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2,736)</td>
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<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(13,015)</td>
<td>-</td>
<td>-</td>
<td>(13,015)</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(24,490)</td>
<td>(24,490)</td>
<td></td>
</tr>
<tr>
<td>(1,915)</td>
<td>(2,293)</td>
<td>(9,374)</td>
<td>(2,736)</td>
<td>(13,015)</td>
<td>(24,490)</td>
<td>(53,823)</td>
</tr>
</tbody>
</table>

| 211                              | 1,490                                   | 556                                  | (2,388)                         | 60                                  | 25,357          | 25,286 |
|                                  |                                         |                                       |                                  | (27,581)                           |                 |       |
|                                  |                                         |                                       |                                  | (27,581)                           |                 |       |
| (1,704)                          | (803)                                   | (8,818)                              | (5,124)                         | (12,955)                           | 28,448          | (956) |
| 95,016                           | 13,956                                  | 226,661                              | 87,374                          | 186,753                            | 295,392         | 905,152 |
| $ 93,312                         | $ 13,153                                | $ 217,843                            | $ 82,250                        | $ 173,798                          | $ 323,840       | $ 904,196 |
This part of the State of Connecticut’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

FINANCIAL TRENDS INFORMATION
These schedules contain trend information to help the reader understand how the State’s financial performance and well-being have changed over time.

- Net Assets by Component
- Changes in Net Assets
- Fund Balances, Governmental Funds
- Changes in Fund Balances, Governmental Funds

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

- Personal Income by Industry
- Personal Income Tax Rates
- Personal Income Tax Filers and Liability by Income Level

DEBT CAPACITY INFORMATION
These schedules present information to assist the user in understanding and assessing a government’s debt burden and its ability to issue additional debt.

- Legal Debt Margin
- Ratios of Outstanding Debt by Type
- Ratios of Net General Bonded Debt
- Pledged-Revenue Coverage

DEMOGRAPHIC AND ECONOMIC INFORMATION
These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the State’s financial activities take place and to help make comparisons over time and with other governments.

- Population and Per Capita Personal Income
- Employment Information
- Top Ten Employers

OPERATING INFORMATION
These schedules contain information about the State’s operations and a resource to help the reader understand how the State’s financial information relates to the activities it performs.

- State Employees by Function
- Operating Indicators by Function
- Capital Asset Statistics by Function

Sources: Unless otherwise noted the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The State implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning that year.
## Net Assets by Component

**Last Nine Fiscal Years**  
(Expressed in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in Capital Assets, Net of Related Debt</td>
<td>$2,348,364</td>
<td>$2,622,372</td>
<td>$3,264,134</td>
</tr>
<tr>
<td>Restricted</td>
<td>1,231,415</td>
<td>1,233,992</td>
<td>1,686,089</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(8,196,738)</td>
<td>(9,203,348)</td>
<td>(10,390,481)</td>
</tr>
<tr>
<td><strong>Total Governmental Activities Net Assets</strong></td>
<td>$(4,616,959)</td>
<td>$(5,346,984)</td>
<td>$(5,440,258)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business-Type Activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in Capital Assets, Net of Related Debt</td>
<td>$1,847,526</td>
<td>$2,092,633</td>
<td>$2,209,541</td>
</tr>
<tr>
<td>Restricted</td>
<td>1,846,132</td>
<td>1,650,045</td>
<td>1,409,915</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>106,375</td>
<td>132,394</td>
<td>40,461</td>
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<tr>
<td><strong>Total Business-Type Activities Net Assets</strong></td>
<td>$3,800,033</td>
<td>$3,875,072</td>
<td>$3,659,917</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Government:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in Capital Assets, Net of Related Debt</td>
<td>$4,195,890</td>
<td>$4,715,005</td>
<td>$5,473,675</td>
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<tr>
<td>Restricted</td>
<td>3,077,547</td>
<td>2,884,037</td>
<td>3,096,004</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(8,090,363)</td>
<td>(9,070,954)</td>
<td>(10,350,020)</td>
</tr>
<tr>
<td><strong>Total Primary Government Net Assets</strong></td>
<td>$(816,926)</td>
<td>$(1,471,912)</td>
<td>$(1,780,341)</td>
</tr>
</tbody>
</table>

**Notes:** The State did not begin reporting government-wide statements until implementing GASB Statement 34 in fiscal year 2002. The governmental activities have a deficit in unrestricted net asset mainly because the State recognized in the Statement of Net Assets 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 obligation, compensated absences obligation, etc.
<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$3,294,888</td>
<td>$3,469,145</td>
<td>$4,269,038</td>
<td>$4,930,749</td>
<td>$4,618,409</td>
<td>$4,914,526</td>
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<td>$1,496,693</td>
<td>$1,384,938</td>
<td>$1,641,377</td>
<td>$1,617,726</td>
<td>$1,777,780</td>
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<td>(10,010,444)</td>
<td>(10,041,840)</td>
<td>(10,497,613)</td>
<td>(13,460,055)</td>
<td>(16,686,518)</td>
<td>(20,344,328)</td>
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<td>$5,390,623</td>
<td>$(5,076,002)</td>
<td>$(4,843,637)</td>
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<td>$(10,450,383)</td>
<td>$(13,652,022)</td>
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<td>$2,314,139</td>
<td>$2,407,382</td>
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<td>$2,611,952</td>
<td>$2,671,350</td>
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<tr>
<td></td>
<td>$1,568,559</td>
<td>$1,704,585</td>
<td>$1,871,568</td>
<td>$1,757,846</td>
<td>$1,470,449</td>
<td>$1,263,100</td>
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<td>115,901</td>
<td>179,171</td>
<td>274,411</td>
<td>347,778</td>
<td>421,551</td>
<td>350,193</td>
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<td>$3,998,599</td>
<td>$4,291,138</td>
<td>$4,601,097</td>
<td>$4,684,480</td>
<td>$4,503,952</td>
<td>$4,284,643</td>
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<td>$5,609,027</td>
<td>$5,876,527</td>
<td>$6,724,156</td>
<td>$7,509,605</td>
<td>$7,230,361</td>
<td>$7,585,876</td>
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<td>$2,893,492</td>
<td>$3,201,278</td>
<td>$3,656,506</td>
<td>$3,399,223</td>
<td>$3,088,175</td>
<td>$3,040,880</td>
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<td>(9,894,543)</td>
<td>(9,862,669)</td>
<td>(10,223,202)</td>
<td>(13,112,277)</td>
<td>(16,264,967)</td>
<td>(19,994,135)</td>
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<td>$(1,392,024)</td>
<td>$(784,864)</td>
<td>$(242,540)</td>
<td>$(2,203,449)</td>
<td>$(5,946,431)</td>
<td>$(9,367,379)</td>
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</table>

Connecticut
### Changes in Net Assets

**Last Nine Fiscal Years**

(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative</td>
<td>80,212</td>
<td>80,176</td>
<td>89,532</td>
<td>91,037</td>
<td>96,622</td>
<td>97,492</td>
<td>111,910</td>
<td>105,959</td>
<td>105,777</td>
</tr>
<tr>
<td>General Government</td>
<td>1,339,982</td>
<td>1,145,613</td>
<td>1,106,700</td>
<td>1,288,231</td>
<td>1,352,986</td>
<td>1,731,215</td>
<td>1,737,917</td>
<td>1,815,805</td>
<td>1,566,680</td>
</tr>
<tr>
<td>Regulation and Protection</td>
<td>627,352</td>
<td>574,674</td>
<td>590,377</td>
<td>633,466</td>
<td>712,061</td>
<td>702,467</td>
<td>788,419</td>
<td>800,334</td>
<td>795,602</td>
</tr>
<tr>
<td>Conservation and Development</td>
<td>434,356</td>
<td>410,167</td>
<td>448,077</td>
<td>424,125</td>
<td>396,296</td>
<td>429,057</td>
<td>473,797</td>
<td>585,295</td>
<td>548,903</td>
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<tr>
<td>Health and Hospital</td>
<td>1,664,152</td>
<td>1,711,076</td>
<td>1,683,465</td>
<td>1,801,346</td>
<td>1,922,583</td>
<td>2,003,994</td>
<td>2,298,272</td>
<td>2,376,451</td>
<td>2,442,886</td>
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<td>Transportation</td>
<td>1,366,108</td>
<td>941,257</td>
<td>1,155,888</td>
<td>1,183,961</td>
<td>1,090,504</td>
<td>1,150,779</td>
<td>1,482,250</td>
<td>1,640,480</td>
<td>1,739,689</td>
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<tr>
<td>Human Services</td>
<td>3,882,711</td>
<td>4,138,932</td>
<td>4,630,169</td>
<td>4,535,915</td>
<td>4,941,454</td>
<td>4,828,418</td>
<td>5,745,810</td>
<td>6,483,338</td>
<td>6,829,881</td>
</tr>
<tr>
<td>Education, Libraries, and Museums</td>
<td>3,000,315</td>
<td>3,090,630</td>
<td>3,174,305</td>
<td>3,408,288</td>
<td>3,888,711</td>
<td>4,008,903</td>
<td>4,749,284</td>
<td>4,789,856</td>
<td>4,920,319</td>
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<td>Corrections</td>
<td>1,355,142</td>
<td>1,450,392</td>
<td>1,579,043</td>
<td>1,675,965</td>
<td>1,768,368</td>
<td>1,860,147</td>
<td>2,085,053</td>
<td>2,155,210</td>
<td>2,081,963</td>
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<td>Judicial</td>
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<td>555,791</td>
<td>546,163</td>
<td>649,666</td>
<td>654,894</td>
<td>694,422</td>
<td>806,309</td>
<td>826,931</td>
<td>827,758</td>
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<tr>
<td>Other</td>
<td>18,435,349</td>
<td>19,210,929</td>
<td>19,963,869</td>
<td>21,234,180</td>
<td>22,022,037</td>
<td>25,182,837</td>
<td>27,662,117</td>
<td>29,078,617</td>
<td></td>
</tr>
<tr>
<td><strong>Total Program Revenues</strong></td>
<td>3,480,032</td>
<td>3,740,692</td>
<td>3,657,772</td>
<td>3,659,754</td>
<td>3,790,049</td>
<td>3,904,019</td>
<td>4,172,023</td>
<td>4,272,055</td>
<td>4,626,309</td>
</tr>
<tr>
<td><strong>Total Primary Government Expenses</strong></td>
<td>8,132,231</td>
<td>8,435,349</td>
<td>8,210,929</td>
<td>8,963,869</td>
<td>8,213,180</td>
<td>8,222,037</td>
<td>8,258,837</td>
<td>8,762,117</td>
<td>9,078,617</td>
</tr>
<tr>
<td><strong>Net (Expense)/Revenue</strong></td>
<td>(10,109,106)</td>
<td>(9,569,899)</td>
<td>(9,295,543)</td>
<td>(10,842,614)</td>
<td>(11,488,522)</td>
<td>(12,414,554)</td>
<td>(14,849,425)</td>
<td>(14,700,687)</td>
<td>(14,251,010)</td>
</tr>
</tbody>
</table>

### Program Revenues

**Governmental Activities:**

- Charges for Services, Fees, Fines, and Forfeitures
- Operating Grants and Contributions
- Capital Grants and Contributions

**Business-Type Activities:**

- Operating Grants and Contributions
- Capital Grants and Contributions

**Total Governmental Activities Program Revenues**

<table>
<thead>
<tr>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,772,067</td>
<td>5,124,755</td>
<td>5,647,069</td>
<td>5,451,501</td>
<td>5,955,699</td>
<td>5,703,486</td>
<td>6,161,387</td>
<td>7,689,375</td>
<td>8,401,299</td>
</tr>
</tbody>
</table>

**Total Business-Type Activities Program Revenues**


**Total Program Revenues**

| 7,667,258 | 8,165,954 | 8,826,577 | 8,671,223 | 9,213,155 | 8,933,772 | 9,250,179 | 11,768,031 | 13,257,097 |

### Net (Expense)/Revenue

**Governmental Activities**

<table>
<thead>
<tr>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1,131,631)</td>
<td>(1,124,331)</td>
<td>(1,148,522)</td>
<td>(1,241,554)</td>
<td>(1,489,425)</td>
</tr>
</tbody>
</table>

**Business-Type Activities**

<table>
<thead>
<tr>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>(532,505)</td>
<td>(453,711)</td>
<td>(453,323)</td>
<td>(478,399)</td>
<td>(520,510)</td>
</tr>
</tbody>
</table>

**Total Program Revenues**

<table>
<thead>
<tr>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1,688,136)</td>
<td>(1,677,844)</td>
<td>(1,721,825)</td>
<td>(1,770,924)</td>
<td>(1,801,015)</td>
</tr>
</tbody>
</table>

**Total Program Costs**

<table>
<thead>
<tr>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>(9,677,891)</td>
<td>(9,677,891)</td>
<td>(9,677,891)</td>
<td>(9,677,891)</td>
<td>(9,677,891)</td>
</tr>
</tbody>
</table>

**Net (Expense)/Revenue**

<table>
<thead>
<tr>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>(10,819,027)</td>
<td>(10,819,027)</td>
<td>(10,819,027)</td>
<td>(10,819,027)</td>
<td>(10,819,027)</td>
</tr>
</tbody>
</table>
Connecticut

General Revenues and Other Changes in Net Assets

### Governmental Activities:

#### Taxes:

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Income</td>
<td>$3,680,434</td>
<td>$3,593,080</td>
<td>$4,392,403</td>
<td>$4,983,163</td>
<td>$5,625,882</td>
<td>$6,270,866</td>
<td>$6,588,233</td>
<td>$5,657,309</td>
<td>$5,773,609</td>
</tr>
<tr>
<td>Corporate Income</td>
<td>$197,245</td>
<td>$390,012</td>
<td>$473,505</td>
<td>$538,834</td>
<td>$655,607</td>
<td>$831,688</td>
<td>$548,539</td>
<td>$437,444</td>
<td>$465,980</td>
</tr>
<tr>
<td>Sales and Use</td>
<td>$2,933,268</td>
<td>$2,938,341</td>
<td>$3,061,423</td>
<td>$3,278,902</td>
<td>$3,382,118</td>
<td>$3,509,164</td>
<td>$3,537,911</td>
<td>$3,301,096</td>
<td>$3,150,203</td>
</tr>
<tr>
<td>Other</td>
<td>$948,369</td>
<td>$1,208,083</td>
<td>$1,274,149</td>
<td>$1,487,321</td>
<td>$1,608,235</td>
<td>$1,513,855</td>
<td>$1,544,801</td>
<td>$1,407,084</td>
<td>$1,455,625</td>
</tr>
</tbody>
</table>

#### Restricted for Transportation Purposes:

- Motor Fuel: $424,037
- Other: $450,696

#### Other:

- Extraordinary Item: Loss on Early Retirement: $(2,455)
- Other: $-21,000

### Business-Type Activities

- $197,084

### Loss on Disposal of Capital Assets

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casino Gaming Payments</td>
<td>$368,954</td>
<td>$397,255</td>
<td>$402,733</td>
<td>$417,838</td>
<td>$427,527</td>
<td>$430,476</td>
<td>$411,411</td>
<td>$377,805</td>
<td>$384,248</td>
</tr>
<tr>
<td>Tobacco Settlement</td>
<td>$139,968</td>
<td>$137,915</td>
<td>$116,578</td>
<td>$118,321</td>
<td>$108,619</td>
<td>$113,691</td>
<td>$141,348</td>
<td>$153,819</td>
<td>$128,977</td>
</tr>
<tr>
<td>Unrestricted Investment Earnings</td>
<td>$84,684</td>
<td>$54,741</td>
<td>$18,350</td>
<td>$69,332</td>
<td>$104,911</td>
<td>$165,472</td>
<td>$131,915</td>
<td>$42,493</td>
<td>$27,681</td>
</tr>
</tbody>
</table>

### Governmental Activities:

- $2,576,269

### Transfers-Internal Activities:

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenues and Other Changes in Net Assets</td>
<td>$(676,762)</td>
<td>$(471,062)</td>
<td>$(692,499)</td>
<td>$(711,657)</td>
<td>$(865,548)</td>
<td>$(779,256)</td>
<td>$(872,590)</td>
<td>$(1,061,862)</td>
<td></td>
</tr>
<tr>
<td>Total Governmental Activities</td>
<td>$8,229,194</td>
<td>$8,827,490</td>
<td>$9,705,231</td>
<td>$10,602,996</td>
<td>$11,784,672</td>
<td>$12,646,915</td>
<td>$12,805,132</td>
<td>$11,205,216</td>
<td>$11,049,570</td>
</tr>
<tr>
<td>Business-Type Activities</td>
<td>$89,388</td>
<td>$111,336</td>
<td>$90,486</td>
<td>$93,879</td>
<td>$113,387</td>
<td>$129,317</td>
<td>$117,360</td>
<td>$75,933</td>
<td>$40,339</td>
</tr>
</tbody>
</table>

#### Changes in Net Assets:

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Revenue</td>
<td>$1,897,912</td>
<td>$742,409</td>
<td>$220,312</td>
<td>$239,618</td>
<td>$296,151</td>
<td>$232,363</td>
<td>$2,044,292</td>
<td>$(3,495,477)</td>
<td>$(2,011,649)</td>
</tr>
<tr>
<td>Business-Type Activities</td>
<td>$197,084</td>
<td>$456,677</td>
<td>$356,758</td>
<td>$434,316</td>
<td>$292,539</td>
<td>$321,154</td>
<td>$83,383</td>
<td>$358,876</td>
<td>$219,309</td>
</tr>
<tr>
<td>Total Governmental Activities</td>
<td>$2,095,056</td>
<td>$1,237,020</td>
<td>$677,069</td>
<td>$531,434</td>
<td>$584,689</td>
<td>$553,536</td>
<td>$3,001,489</td>
<td>$4,188,537</td>
<td>$2,230,958</td>
</tr>
</tbody>
</table>

#### Other Changes in Net Assets:

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior-Year Adjustments</td>
<td>$-</td>
<td>$12,384</td>
<td>$100,104</td>
<td>$289,253</td>
<td>$18,470</td>
<td>$-</td>
<td>$66,976</td>
<td>$(881,193)</td>
<td>$(881,193)</td>
</tr>
<tr>
<td>Fund Reclassification</td>
<td>-</td>
<td>-</td>
<td>$26,934</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Governmental Activities</td>
<td>$12,384</td>
<td>$127,038</td>
<td>$289,253</td>
<td>$18,470</td>
<td>$-</td>
<td>$-</td>
<td>$(66,976)</td>
<td>$(881,193)</td>
<td>$(881,193)</td>
</tr>
<tr>
<td>Business-Type Activities:</td>
<td>-</td>
<td>$9,392</td>
<td>$(9,750)</td>
<td>-</td>
<td>11,195</td>
<td>$(21,652)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prior-Year Adjustments</td>
<td>-</td>
<td>$9,392</td>
<td>$(9,750)</td>
<td>-</td>
<td>11,195</td>
<td>$(21,652)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fund Reclassification</td>
<td>-</td>
<td>-</td>
<td>$(241,971)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in Reporting Period</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$194,336</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Business-Type Activities</td>
<td>$9,392</td>
<td>$251,721</td>
<td>$194,336</td>
<td>$11,195</td>
<td>$(21,652)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Governmental Activities</td>
<td>$12,384</td>
<td>$127,038</td>
<td>$289,253</td>
<td>$18,470</td>
<td>$11,195</td>
<td>$(66,976)</td>
<td>$(881,193)</td>
<td>$(881,193)</td>
<td>$(881,193)</td>
</tr>
</tbody>
</table>

Notes:
The State did not begin reporting government-wide statements until it implemented GASB Statement 34 in fiscal year 2002.

In January 2003 there was an increase in the personal income tax rate of one half percent.

In fiscal year 2004 the Higher Education line was reclassified to display more details about these activities.

Other changes in net assets are direct adjustments to the beginning balance of net assets (See Note 21).
### Fund Balances, Governmental Funds

Last Nine Fiscal Years  
(Expressed in Thousands)  

| Year | General Fund |  | Unreserved |  | Total General Fund |  | All Other Governmental Funds |  | Total All Other Governmental Funds |
|------|--------------|  |------------|  |-------------------|  |--------------------------|  |-----------------------------|
| 2002 | $509,096     |  | $440,819  |  | $1,434,544        |  | $1,917,260               |  | $2,236,082                  |
| 2003 | $720,581     |  | $720,581  |  | $1,250,708        |  | $1,323,595               |  | $1,717,007                 |
| 2004 | $1,434,544 |  | $1,434,544 |  | $2,154,248        |  | $2,250,727               |  | $2,215,141                 |
| 2005 | $1,917,260 |  | $1,917,260 |  | $2,761,561        |  | $2,761,561               |  | $2,761,561                 |
| 2006 | $2,236,082 |  | $2,236,082 |  | $3,021,520        |  | $3,021,520               |  | $3,021,520                |
| 2007 | $1,717,007 |  | $1,717,007 |  | $2,149,231        |  | $2,149,231               |  | $2,149,231               |
| 2008 | $2,215,141 |  | $2,215,141 |  | $2,503,429        |  | $2,503,429               |  | $2,503,429               |
| 2009 | $696,149    |  | $696,149  |  | $922,820         |  | $922,820                 |  | $922,820                 |
| 2010 | $609,351    |  | $609,351  |  | $726,117         |  | $726,117                 |  | $726,117                 |

### Changes in Fund Balances, Governmental Funds

Last Eight Fiscal Years  
(Expressed in Thousands)  

| Year | Revenues |  | Expenditures |  | Net Change in Fund Balance |
|------|----------|  |--------------|  |---------------------------|
| 2002 | $8,278,340 |  | $2,149,231 |  | $6,129,109               |
| 2003 | $8,727,502 |  | $1,717,007 |  | $7,010,505               |
| 2004 | $9,742,801 |  | $2,215,141 |  | $7,527,660               |
| 2005 | $10,830,226 |  | $2,503,429 |  | $8,326,797               |
| 2006 | $11,836,809 |  | $2,503,429 |  | $9,333,380               |
| 2007 | $12,741,807 |  | $2,503,429 |  | $10,238,378              |
| 2008 | $13,041,886 |  | $2,503,429 |  | $10,538,457              |
| 2009 | $11,416,766 |  | $2,503,429 |  | $8,913,337               |
| 2010 | $11,594,568 |  | $2,503,429 |  | $9,091,139               |

Note: Due to changes in the State’s fund structure initiated when GASB 34 was implemented, the changes in fund balance information is available beginning in FY 2002.
## Personal Income by Industry

Last Eight Calendar Years  
(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Industry</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm Earnings</td>
<td>169,384</td>
<td>163,186</td>
<td>181,312</td>
<td>179,546</td>
<td>132,701</td>
<td>135,635</td>
<td>188,000</td>
<td>180,000</td>
<td>176,000</td>
</tr>
<tr>
<td>Agricultural Services, Forestry, Fishing</td>
<td>53,215</td>
<td>47,990</td>
<td>45,653</td>
<td>43,390</td>
<td>48,463</td>
<td>47,947</td>
<td>51,000</td>
<td>50,000</td>
<td>55,000</td>
</tr>
<tr>
<td>Mining</td>
<td>132,885</td>
<td>142,415</td>
<td>183,161</td>
<td>210,433</td>
<td>239,725</td>
<td>241,968</td>
<td>177,000</td>
<td>213,000</td>
<td>227,000</td>
</tr>
<tr>
<td>Construction</td>
<td>5,949,891</td>
<td>5,883,794</td>
<td>6,702,149</td>
<td>7,221,766</td>
<td>8,279,075</td>
<td>13,269,852</td>
<td>13,170,583</td>
<td>13,179,000</td>
<td>12,039,000</td>
</tr>
<tr>
<td>Durable Goods</td>
<td>5,515,096</td>
<td>5,819,416</td>
<td>6,199,684</td>
<td>6,673,800</td>
<td>7,016,000</td>
<td>6,464,000</td>
<td>6,638,000</td>
<td>6,368,000</td>
<td>6,156,000</td>
</tr>
<tr>
<td>Nondurable Goods</td>
<td>5,093,473</td>
<td>5,360,660</td>
<td>5,495,647</td>
<td>5,718,664</td>
<td>6,369,142</td>
<td>7,016,000</td>
<td>6,464,000</td>
<td>6,368,000</td>
<td>6,156,000</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>5,420,568</td>
<td>5,515,096</td>
<td>5,819,416</td>
<td>6,199,684</td>
<td>6,673,800</td>
<td>7,016,000</td>
<td>6,464,000</td>
<td>6,368,000</td>
<td>6,156,000</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>7,295,378</td>
<td>7,349,016</td>
<td>7,533,969</td>
<td>7,696,592</td>
<td>7,938,639</td>
<td>8,061,698</td>
<td>8,149,000</td>
<td>7,877,000</td>
<td>8,055,000</td>
</tr>
<tr>
<td>Transportation and Public Utilities</td>
<td>3,063,712</td>
<td>3,323,358</td>
<td>3,639,012</td>
<td>3,664,577</td>
<td>2,631,548</td>
<td>2,837,925</td>
<td>2,996,000</td>
<td>2,587,000</td>
<td>2,738,000</td>
</tr>
<tr>
<td>Services</td>
<td>59,658,975</td>
<td>59,385,363</td>
<td>65,546,050</td>
<td>69,407,977</td>
<td>72,920,312</td>
<td>77,525,040</td>
<td>79,229,000</td>
<td>75,901,000</td>
<td>78,052,000</td>
</tr>
<tr>
<td>Federal, Civilian</td>
<td>1,555,257</td>
<td>1,556,662</td>
<td>1,685,192</td>
<td>1,651,650</td>
<td>1,731,848</td>
<td>1,760,774</td>
<td>1,762,000</td>
<td>1,904,000</td>
<td>1,926,000</td>
</tr>
<tr>
<td>Military</td>
<td>684,388</td>
<td>785,349</td>
<td>842,406</td>
<td>882,223</td>
<td>932,364</td>
<td>921,195</td>
<td>978,000</td>
<td>1,076,000</td>
<td>1,115,000</td>
</tr>
<tr>
<td>State and Local</td>
<td>11,714,486</td>
<td>11,852,667</td>
<td>12,467,586</td>
<td>13,126,266</td>
<td>13,846,143</td>
<td>15,044,395</td>
<td>15,815,000</td>
<td>18,150,000</td>
<td>17,703,000</td>
</tr>
<tr>
<td>Other¹</td>
<td>34,457,608</td>
<td>36,109,211</td>
<td>36,501,189</td>
<td>38,118,358</td>
<td>43,670,025</td>
<td>51,468,018</td>
<td>54,757,000</td>
<td>56,466,000</td>
<td>58,363,000</td>
</tr>
<tr>
<td>Total Personal Income</td>
<td>146,997,439</td>
<td>148,975,390</td>
<td>158,895,963</td>
<td>166,807,307</td>
<td>177,997,159</td>
<td>192,569,668</td>
<td>197,000,000</td>
<td>194,767,000</td>
<td>199,383,000</td>
</tr>
<tr>
<td>Average Effective Rate²</td>
<td>2.50%</td>
<td>2.48%</td>
<td>2.97%</td>
<td>3.17%</td>
<td>3.34%</td>
<td>3.46%</td>
<td>3.45%</td>
<td>2.70%</td>
<td>2.83%</td>
</tr>
</tbody>
</table>

**Notes:**  
Fiscal year 2010 amounts are based on third quarter estimates.  
¹Includes dividends, interest, rental income, residence adjustments, government transfers to individuals, and deductions for insurance.  
²Total direct rate for personal income is not available.  
Average effective rate equals fiscal year net tax collections divided by prior-year total personal income.  

**Sources:** U. S. Bureau of Economic Analysis and Department of Revenue Services
### Personal Income Tax Rates

**Last Eight Calendar Years**

(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Top Rate</th>
<th>Single/ Married Filing Rate</th>
<th>Married Filing Rate</th>
<th>Head of Household Rate</th>
<th>Average Effective Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>4.50%</td>
<td>$10,000</td>
<td>$20,000</td>
<td>$16,000</td>
<td>2.50%</td>
</tr>
<tr>
<td>2003</td>
<td>5.00%</td>
<td>$10,000</td>
<td>$20,000</td>
<td>$16,000</td>
<td>2.48%</td>
</tr>
<tr>
<td>2004</td>
<td>5.00%</td>
<td>$10,000</td>
<td>$20,000</td>
<td>$16,000</td>
<td>2.97%</td>
</tr>
<tr>
<td>2005</td>
<td>5.00%</td>
<td>$10,000</td>
<td>$20,000</td>
<td>$16,000</td>
<td>3.17%</td>
</tr>
<tr>
<td>2006</td>
<td>5.00%</td>
<td>$10,000</td>
<td>$20,000</td>
<td>$16,000</td>
<td>3.34%</td>
</tr>
<tr>
<td>2007</td>
<td>5.00%</td>
<td>$10,000</td>
<td>$20,000</td>
<td>$16,000</td>
<td>3.46%</td>
</tr>
<tr>
<td>2008</td>
<td>5.00%</td>
<td>$10,000</td>
<td>$20,000</td>
<td>$16,000</td>
<td>3.45%</td>
</tr>
<tr>
<td>2009</td>
<td>5.00%</td>
<td>$10,000</td>
<td>$20,000</td>
<td>$16,000</td>
<td>2.70%</td>
</tr>
<tr>
<td>2010</td>
<td>5.00%</td>
<td>$10,000</td>
<td>$20,000</td>
<td>$16,000</td>
<td>2.83%</td>
</tr>
</tbody>
</table>

**Notes:**
- Taxable income equal to or less than amounts listed above is taxed at a rate of 3%.
- Average effective rate equals fiscal year net tax collections divided by prior-year total personal income.

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

---

### Personal Income Tax Filers and Liability by Income Level, Calendar Years 2002 and 2008

(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Calendar Year 2002</th>
<th>Calendar Year 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Filers</td>
<td>Percentage of Total</td>
</tr>
<tr>
<td>$50,000 and under</td>
<td>810,902</td>
<td>58.1%</td>
</tr>
<tr>
<td>$50,001-$100,000</td>
<td>373,002</td>
<td>26.7%</td>
</tr>
<tr>
<td>$100,001-$200,000</td>
<td>152,952</td>
<td>11.0%</td>
</tr>
<tr>
<td>$200,001-$500,000</td>
<td>43,707</td>
<td>3.1%</td>
</tr>
<tr>
<td>$500,001-$2,000,000</td>
<td>12,202</td>
<td>0.9%</td>
</tr>
<tr>
<td>$2,000,000 and up</td>
<td>1,971</td>
<td>0.2%</td>
</tr>
<tr>
<td>Total</td>
<td>1,394,736</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

**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 2008 is the most recent year for which the data is available.

**Source:** Department of Revenue Services
### Legal Debt Margin Information
Last Eight Fiscal Years
(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimated General Fund Tax Receipts ($1,000)</th>
<th>Statutory Multiplier</th>
<th>Statutory Debt Limit for Debt Incurred ($1,000)</th>
<th>Less: Authorized Bonds, Notes, and Other Obligations Subject to Certain Limitations</th>
<th>Legal Debt Margin ($1,000)</th>
<th>Legal Debt Margin as a percentage of the debt limit</th>
<th>Date Calculation was made</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$8,147,500</td>
<td>1.6</td>
<td>$13,036,000</td>
<td>$11,724,239</td>
<td>$1,311,761</td>
<td>10.06%</td>
<td>11/1/02</td>
</tr>
<tr>
<td>2004</td>
<td>$8,624,000</td>
<td>1.6</td>
<td>$13,798,400</td>
<td>$12,233,029</td>
<td>$1,565,371</td>
<td>11.34%</td>
<td>12/16/03</td>
</tr>
<tr>
<td>2005</td>
<td>$9,441,100</td>
<td>1.6</td>
<td>$15,105,760</td>
<td>$12,486,174</td>
<td>$2,619,586</td>
<td>17.34%</td>
<td>1/1/05</td>
</tr>
<tr>
<td>2006</td>
<td>$10,455,400</td>
<td>1.6</td>
<td>$16,728,640</td>
<td>$12,938,435</td>
<td>$3,790,205</td>
<td>22.66%</td>
<td>12/16/05</td>
</tr>
<tr>
<td>2007</td>
<td>$11,250,700</td>
<td>1.6</td>
<td>$18,001,120</td>
<td>$13,481,602</td>
<td>$4,519,518</td>
<td>25.11%</td>
<td>2/1/07</td>
</tr>
<tr>
<td>2008</td>
<td>$12,453,200</td>
<td>1.6</td>
<td>$19,925,120</td>
<td>$14,266,573</td>
<td>$5,658,547</td>
<td>28.40%</td>
<td>2/1/08</td>
</tr>
<tr>
<td>2009</td>
<td>$12,971,100</td>
<td>1.6</td>
<td>$20,753,760</td>
<td>$14,876,927</td>
<td>$5,876,833</td>
<td>28.32%</td>
<td>2/1/09</td>
</tr>
<tr>
<td>2010</td>
<td>$10,927,600</td>
<td>1.6</td>
<td>$17,484,160</td>
<td>$15,110,495</td>
<td>$2,373,665</td>
<td>13.58%</td>
<td>2/1/10</td>
</tr>
</tbody>
</table>

### Ratios of Outstanding Debt by Type
Last Seven Fiscal Years  
(Expressed in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Obligation Bonds</td>
<td>$9,216,354</td>
<td>$9,606,611</td>
<td>$9,905,242</td>
</tr>
<tr>
<td>Transportation Obligation Bonds</td>
<td>3,205,815</td>
<td>3,153,949</td>
<td>3,113,875</td>
</tr>
<tr>
<td>Long-Term Notes</td>
<td>219,235</td>
<td>273,215</td>
<td>209,560</td>
</tr>
<tr>
<td>Capital Leases</td>
<td>67,988</td>
<td>53,761</td>
<td>76,955</td>
</tr>
<tr>
<td><strong>Total Governmental Activities</strong></td>
<td>$12,709,392</td>
<td>$13,087,536</td>
<td>$13,305,632</td>
</tr>
<tr>
<td><strong>Business-Type Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue Bonds</td>
<td>1,555,161</td>
<td>1,713,805</td>
<td>1,619,658</td>
</tr>
<tr>
<td><strong>Total Business-Type Activities</strong></td>
<td>1,555,161</td>
<td>1,713,805</td>
<td>1,619,658</td>
</tr>
<tr>
<td><strong>Total Primary Government</strong></td>
<td>$14,264,553</td>
<td>$14,801,341</td>
<td>$14,925,290</td>
</tr>
<tr>
<td>Debt as a Percentage of Personal Income</td>
<td>9.58%</td>
<td>9.32%</td>
<td>8.95%</td>
</tr>
<tr>
<td>Amount of Debt Per Capita</td>
<td>$4,092</td>
<td>$4,230</td>
<td>$4,252</td>
</tr>
</tbody>
</table>

**Notes:** Details regarding the State's debt can be found in Note 18 of the financial statements.  
In 2002 the State began issuing government-wide statements in accordance with GASB Statement 34.

### Ratios of Net General Bonded Debt Outstanding
Last Seven Fiscal Years  
(Expressed in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Obligation Bonds</td>
<td>$9,216,354</td>
<td>$9,606,611</td>
<td>$9,905,242</td>
</tr>
<tr>
<td>Transportation Obligation Bonds</td>
<td>3,205,815</td>
<td>3,153,949</td>
<td>3,113,875</td>
</tr>
<tr>
<td>Debt Service Fund Balance</td>
<td>(622,083)</td>
<td>(635,679)</td>
<td>(677,555)</td>
</tr>
<tr>
<td><strong>Net General Obligation Bonded Debt</strong></td>
<td>$11,800,086</td>
<td>$12,124,881</td>
<td>$12,341,562</td>
</tr>
<tr>
<td>Net General Obligation Debt as a Percentage of Personal Income</td>
<td>7.92%</td>
<td>7.63%</td>
<td>7.40%</td>
</tr>
<tr>
<td>Amount of Net GO Debt Per Capita</td>
<td>$3,385</td>
<td>$3,465</td>
<td>$3,516</td>
</tr>
</tbody>
</table>

**Notes:** Details regarding the State's debt can be found in Note 18 of the financial statements.  
In 2002 the State began issuing government-wide statements in accordance with GASB Statement 34.
### Connecticut

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>10,211,493</td>
<td>10,596,581</td>
<td>13,092,570</td>
<td>13,443,525</td>
<td>13,592,708</td>
</tr>
<tr>
<td></td>
<td>3,094,001</td>
<td>2,822,585</td>
<td>2,790,682</td>
<td>2,817,015</td>
<td>3,030,485</td>
</tr>
<tr>
<td></td>
<td>146,090</td>
<td>-</td>
<td>-</td>
<td>228,160</td>
<td>1,143,955</td>
</tr>
<tr>
<td></td>
<td>60,491</td>
<td>56,244</td>
<td>51,748</td>
<td>47,129</td>
<td>41,702</td>
</tr>
<tr>
<td></td>
<td>13,512,075</td>
<td>13,475,410</td>
<td>15,935,000</td>
<td>16,535,829</td>
<td>17,808,850</td>
</tr>
<tr>
<td></td>
<td>1,523,130</td>
<td>1,577,723</td>
<td>1,358,084</td>
<td>1,601,797</td>
<td>1,498,380</td>
</tr>
<tr>
<td></td>
<td>1,523,130</td>
<td>1,577,723</td>
<td>1,358,084</td>
<td>1,601,797</td>
<td>1,498,380</td>
</tr>
<tr>
<td>$</td>
<td>15,035,205</td>
<td>15,053,133</td>
<td>17,293,084</td>
<td>18,137,626</td>
<td>19,307,230</td>
</tr>
<tr>
<td></td>
<td>8.45%</td>
<td>7.82%</td>
<td>8.78%</td>
<td>9.31%</td>
<td>9.68%</td>
</tr>
<tr>
<td></td>
<td>$4,290</td>
<td>$4,357</td>
<td>$5,077</td>
<td>$5,181</td>
<td>$5,402</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>10,211,493</td>
<td>10,596,581</td>
<td>13,092,570</td>
<td>13,443,525</td>
</tr>
<tr>
<td></td>
<td>3,094,001</td>
<td>2,822,585</td>
<td>2,790,682</td>
<td>2,817,015</td>
</tr>
<tr>
<td>(674,630)</td>
<td>(676,894)</td>
<td>(683,636)</td>
<td>(679,384)</td>
<td>(687,752)</td>
</tr>
<tr>
<td>$</td>
<td>12,630,864</td>
<td>12,742,272</td>
<td>15,199,616</td>
<td>15,581,156</td>
</tr>
<tr>
<td></td>
<td>7.10%</td>
<td>6.62%</td>
<td>7.72%</td>
<td>8.00%</td>
</tr>
<tr>
<td></td>
<td>$3,604</td>
<td>$3,688</td>
<td>$4,463</td>
<td>$4,450</td>
</tr>
</tbody>
</table>
## Pledged-Revenue Coverage

Last Ten Fiscal Years

(Expressed in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>University of Connecticut and Health Center²</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Revenues</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Available Revenues</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Debt Service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Coverage</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>State Universities²</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Revenues</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Available Revenues</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Debt Service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Coverage</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Bradley International Airport</strong></td>
<td>$55,888</td>
<td>$53,364</td>
<td>$54,712</td>
<td>$56,286</td>
<td>$54,862</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>21,815</td>
<td>24,688</td>
<td>27,838</td>
<td>31,254</td>
<td>29,464</td>
</tr>
<tr>
<td>Net Available Revenues</td>
<td>$34,073</td>
<td>$28,676</td>
<td>$26,874</td>
<td>$25,032</td>
<td>$25,398</td>
</tr>
<tr>
<td>Debt Service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>$3,480</td>
<td>$6,785</td>
<td>$3,860</td>
<td>$5,775</td>
<td>$6,140</td>
</tr>
<tr>
<td>Interest</td>
<td>6,084</td>
<td>8,291</td>
<td>11,609</td>
<td>10,156</td>
<td>13,397</td>
</tr>
<tr>
<td>Total</td>
<td>$9,564</td>
<td>$15,076</td>
<td>$15,469</td>
<td>$15,931</td>
<td>$19,537</td>
</tr>
<tr>
<td>Coverage</td>
<td>3.56</td>
<td>1.90</td>
<td>1.74</td>
<td>1.57</td>
<td>1.30</td>
</tr>
<tr>
<td><strong>Clean Water</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Revenues</td>
<td>$48,285</td>
<td>$57,219</td>
<td>$48,471</td>
<td>$50,566</td>
<td>$37,338</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>1,133</td>
<td>1,320</td>
<td>986</td>
<td>804</td>
<td>604</td>
</tr>
<tr>
<td>Net Available Revenues</td>
<td>$47,152</td>
<td>$55,899</td>
<td>$47,485</td>
<td>$49,762</td>
<td>$36,734</td>
</tr>
<tr>
<td>Debt Service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>$22,630</td>
<td>$24,915</td>
<td>$31,040</td>
<td>$27,050</td>
<td>$36,723</td>
</tr>
<tr>
<td>Interest</td>
<td>29,607</td>
<td>28,179</td>
<td>29,917</td>
<td>28,631</td>
<td>24,155</td>
</tr>
<tr>
<td>Total</td>
<td>$52,237</td>
<td>$53,094</td>
<td>$60,957</td>
<td>$55,681</td>
<td>$60,878</td>
</tr>
<tr>
<td>Coverage</td>
<td>0.90</td>
<td>1.05</td>
<td>0.78</td>
<td>0.89</td>
<td>0.60</td>
</tr>
<tr>
<td><strong>Second Injury &amp; Compensation Assurance¹</strong></td>
<td>$86,946</td>
<td>$106,629</td>
<td>$112,608</td>
<td>$96,107</td>
<td>$99,687</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>66,843</td>
<td>62,375</td>
<td>50,654</td>
<td>48,100</td>
<td>44,793</td>
</tr>
<tr>
<td>Net Available Revenues</td>
<td>$20,103</td>
<td>$44,254</td>
<td>$61,954</td>
<td>$48,007</td>
<td>$54,894</td>
</tr>
<tr>
<td>Debt Service:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>$30,100</td>
<td>$136,629</td>
<td>$50,830</td>
<td>$42,890</td>
<td>$56,875</td>
</tr>
<tr>
<td>Interest</td>
<td>10,646</td>
<td>12,642</td>
<td>10,581</td>
<td>7,455</td>
<td>5,274</td>
</tr>
<tr>
<td>Total</td>
<td>$40,746</td>
<td>$149,272</td>
<td>$61,411</td>
<td>$50,345</td>
<td>$62,149</td>
</tr>
<tr>
<td>Coverage</td>
<td>0.49</td>
<td>0.30</td>
<td>1.01</td>
<td>0.95</td>
<td>0.88</td>
</tr>
<tr>
<td></td>
<td>2005</td>
<td>2006</td>
<td>2007</td>
<td>2008</td>
<td>2009</td>
</tr>
<tr>
<td>--------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td></td>
<td>$1,408,197</td>
<td>$1,476,058</td>
<td>$1,578,763</td>
<td>$1,577,646</td>
<td>$1,806,256</td>
</tr>
<tr>
<td>$1,270,111</td>
<td>1,327,713</td>
<td>1,388,753</td>
<td>1,482,749</td>
<td>1,592,289</td>
<td>1,569,966</td>
</tr>
<tr>
<td>$138,086</td>
<td>$148,345</td>
<td>$190,010</td>
<td>$94,897</td>
<td>$213,967</td>
<td>$216,163</td>
</tr>
<tr>
<td>$57,660</td>
<td>$61,964</td>
<td>$69,921</td>
<td>$74,846</td>
<td>$76,148</td>
<td>$79,655</td>
</tr>
<tr>
<td>11,158</td>
<td>13,032</td>
<td>15,901</td>
<td>15,897</td>
<td>52,307</td>
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</table>
# Pledged-Revenue Coverage

**Last Ten Fiscal Years**  
(Expressed in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
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<td><strong>Bradley Parking Garage¹</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Gross Revenues</td>
<td>$ -</td>
<td>$ -</td>
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<td>$ 20,474</td>
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<td>Operating Expenses</td>
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<td>-</td>
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<td>9,169</td>
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<tr>
<td>Net Available Revenues</td>
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<td>$ -</td>
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<td>$ 11,305</td>
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<td>Debt Service:</td>
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<td></td>
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<tr>
<td>Principal</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
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<td>3,582</td>
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<tr>
<td>Total</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 3,575</td>
<td>$ 3,582</td>
</tr>
<tr>
<td>Coverage</td>
<td>-</td>
<td>-</td>
<td>1.62</td>
<td>3.16</td>
</tr>
</tbody>
</table>

| **Drinking Water¹**      |              |              |              |              |
| Gross Revenues           | $ -          | $ 13,637     | $ 9,366      | $ 18,888     |
| Operating Expenses       | -            | 1,189        | 1,541        | 1,946        |
| Net Available Revenues   | $ -          | $ 12,448     | $ 7,825      | $ 16,942     |
| Debt Service:            |              |              |              |              |
| Principal                | $ -          | $ -          | $ -          | $ -          |
| Interest                 | -            | 115          | 1,375        | 1,375        |
| Total                    | $ -          | $ 115        | $ 1,375      | $ 1,375      |
| Coverage                 | -            | 108.24       | 5.69         | 12.32        |

| **Rate Reduction Bonds¹**|              |              |              |              |
| Gross Revenues           | $ -          | $ -          | $ -          | $ -          |
| Operating Expenses       | -            | -            | -            | -            |
| Net Available Revenues   | $ -          | $ -          | $ -          | $ -          |
| Debt Service:            |              |              |              |              |
| Principal                | $ -          | $ -          | $ -          | $ -          |
| Interest                 | -            | -            | -            | -            |
| Total                    | $ -          | $ -          | $ -          | $ -          |
| Coverage                 | -            | -            | -            | -            |

**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.

¹ Second Injury bonds were liquidated in fiscal year 2005. Bradley Parking Garage bonds were issued in fiscal year 2000. These bonds were reported as part of Bradley International Airport for fiscal years 2000 and 2001. Drinking Water Bonds were issued in fiscal year 2001 while Rate Reduction Bonds were issued in fiscal year 2005 and retired in fiscal year 2010.

² Starting in fiscal year 2004, the University of Connecticut and Health Center, the State Universities, and the Technical/Community Colleges funds were reported as separate Enterprise funds. In prior years, these funds were reported in the Higher Education fund, an Enterprise fund.
<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
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<td>$24,651</td>
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### Demographic and Economic Statistics

#### Population and Per Capita Personal Income

Last Ten Calendar Years  
(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>United States</th>
<th>% Growth From Previous Year</th>
<th>Connecticut</th>
<th>% Growth From Previous Year</th>
</tr>
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<td>2000</td>
<td>282,193</td>
<td>1.13%</td>
<td>3,412</td>
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<td>285,108</td>
<td>1.03%</td>
<td>3,432</td>
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<td>287,985</td>
<td>1.01%</td>
<td>3,458</td>
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<td>2003</td>
<td>290,850</td>
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<td>293,657</td>
<td>0.97%</td>
<td>3,499</td>
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<td>2005</td>
<td>296,410</td>
<td>0.94%</td>
<td>3,510</td>
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<tr>
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<td>298,217</td>
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<td>3,505</td>
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<td>301,140</td>
<td>0.98%</td>
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<td>2010</td>
<td>308,746</td>
<td>2.53%</td>
<td>3,574</td>
<td>3.4%</td>
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**Notes:** Personal Income for 2010 is based on third quarter estimates.  
The Connecticut Population for 2006 is estimated.

**Sources:** U.S. Census Bureau, U.S. Bureau of Economic Analysis  

### Employment Information

#### Last Ten Calendar Years  
(Expressed in Thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Labor force</th>
<th>Employed</th>
<th>Unemployed</th>
<th>Rate</th>
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<tr>
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<td>153,741</td>
<td>139,119</td>
<td>14,623</td>
<td>9.5%</td>
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</table>

**Sources:** U.S. Department of Labor
## Connecticut

<table>
<thead>
<tr>
<th>Year</th>
<th>United States</th>
<th>Connecticut</th>
<th>% Above the United States</th>
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<tr>
<td>1992</td>
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<td>$148,975,390</td>
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<tr>
<td>1994</td>
<td>$9,717,173,000</td>
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<tr>
<td>1996</td>
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<tr>
<td>1997</td>
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<td>$192,569,668</td>
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<tr>
<td>1998</td>
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</tr>
<tr>
<td>1999</td>
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<td>40.0%</td>
</tr>
<tr>
<td>2000</td>
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<td>$199,383,000</td>
<td>36.8%</td>
</tr>
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</table>

### Connecticut Labor Force

<table>
<thead>
<tr>
<th>Year</th>
<th>Labor force</th>
<th>Employed</th>
<th>Unemployed</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>1,785</td>
<td>1,743</td>
<td>42</td>
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<tr>
<td>1991</td>
<td>1,775</td>
<td>1,705</td>
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</tr>
<tr>
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<td>1,802</td>
<td>1,712</td>
<td>90</td>
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<tr>
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<td>1,699</td>
<td>98</td>
<td>5.5%</td>
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</tr>
<tr>
<td>1995</td>
<td>1,801</td>
<td>1,709</td>
<td>92</td>
<td>5.1%</td>
</tr>
<tr>
<td>1996</td>
<td>1,835</td>
<td>1,760</td>
<td>75</td>
<td>4.1%</td>
</tr>
<tr>
<td>1997</td>
<td>1,876</td>
<td>1,795</td>
<td>81</td>
<td>4.3%</td>
</tr>
<tr>
<td>1998</td>
<td>1,897</td>
<td>1,795</td>
<td>102</td>
<td>5.4%</td>
</tr>
<tr>
<td>1999</td>
<td>1,879</td>
<td>1,731</td>
<td>147</td>
<td>7.8%</td>
</tr>
<tr>
<td>2000</td>
<td>1,887</td>
<td>1,721</td>
<td>166</td>
<td>8.8%</td>
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</tbody>
</table>
## Demographic and Economic Statistics
### Top Ten Employers
Current Year and Ten Years Ago

<table>
<thead>
<tr>
<th>NAME</th>
<th>Employees in CT</th>
<th>Percentage of State Employment</th>
<th>Rank</th>
<th>Employees in CT</th>
<th>Percentage of State Employment</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Technologies Corp.</td>
<td>27,050</td>
<td>1.6%</td>
<td>1</td>
<td>24,500</td>
<td>(2) 1.4%</td>
<td>-</td>
</tr>
<tr>
<td>Yale University</td>
<td>18,004</td>
<td>1.0%</td>
<td>2</td>
<td>10,243</td>
<td>0.6%</td>
<td>5</td>
</tr>
<tr>
<td>Stop &amp; Shop Cos., Inc.</td>
<td>13,574</td>
<td>(1) 0.8%</td>
<td>3</td>
<td>15,400</td>
<td>0.9%</td>
<td>1</td>
</tr>
<tr>
<td>Hartford Financial Services</td>
<td>11,300</td>
<td>0.7%</td>
<td>4</td>
<td>11,000</td>
<td>0.6%</td>
<td>4</td>
</tr>
<tr>
<td>Wal-Mart Stores, Inc.</td>
<td>9,204</td>
<td>(1) 0.5%</td>
<td>5</td>
<td>0</td>
<td>0.0%</td>
<td>-</td>
</tr>
<tr>
<td>Mohegan Sun Casino</td>
<td>8,800</td>
<td>0.5%</td>
<td>6</td>
<td>6,000</td>
<td>0.3%</td>
<td>16</td>
</tr>
<tr>
<td>General Dynamics Electric Boat</td>
<td>8,200</td>
<td>0.5%</td>
<td>7</td>
<td>7,300</td>
<td>0.4%</td>
<td>12</td>
</tr>
<tr>
<td>Yale New Haven Hospital</td>
<td>8,092</td>
<td>0.5%</td>
<td>8</td>
<td>5,500</td>
<td>0.3%</td>
<td>19</td>
</tr>
<tr>
<td>Foxwoods Resort Casino</td>
<td>7,672</td>
<td>0.4%</td>
<td>9</td>
<td>13,202</td>
<td>0.8%</td>
<td>2</td>
</tr>
<tr>
<td>Aetna Inc.</td>
<td>7,231</td>
<td>0.4%</td>
<td>10</td>
<td>7,800</td>
<td>0.4%</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>119,127</td>
<td>6.9%</td>
<td></td>
<td>100,945</td>
<td>5.7%</td>
<td></td>
</tr>
</tbody>
</table>

**Sources:** Hartford Business Journal (HBJ)- June 2010

(1) Omitted from the 2009 HBJ survey. The number equals the employees reported by HBJ in 2008.

(2) The number equals the headcounts of business units before consolidation as UTC.
## State Employees by Function

### Last Six Fiscal Years

<table>
<thead>
<tr>
<th>Function</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Government</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legislative</td>
<td>665</td>
<td>668</td>
<td>695</td>
<td>701</td>
<td>713</td>
<td>706</td>
</tr>
<tr>
<td>General Government</td>
<td>3,645</td>
<td>3,654</td>
<td>3,783</td>
<td>3,897</td>
<td>3,811</td>
<td>3,630</td>
</tr>
<tr>
<td>Regulation and Protection</td>
<td>4,196</td>
<td>4,258</td>
<td>4,324</td>
<td>4,384</td>
<td>4,271</td>
<td>4,088</td>
</tr>
<tr>
<td>Conservation and Development</td>
<td>1,296</td>
<td>1,302</td>
<td>1,306</td>
<td>1,356</td>
<td>1,388</td>
<td>1,293</td>
</tr>
<tr>
<td>Health and Hospital</td>
<td>7,668</td>
<td>7,774</td>
<td>7,841</td>
<td>7,984</td>
<td>4,138</td>
<td>3,925</td>
</tr>
<tr>
<td>Transportation</td>
<td>3,053</td>
<td>3,131</td>
<td>3,198</td>
<td>3,256</td>
<td>3,139</td>
<td>3,070</td>
</tr>
<tr>
<td>Human Services</td>
<td>1,847</td>
<td>1,891</td>
<td>1,969</td>
<td>2,046</td>
<td>1,982</td>
<td>5,175</td>
</tr>
<tr>
<td>Education, Libraries, and Museums</td>
<td>18,874</td>
<td>19,375</td>
<td>19,619</td>
<td>20,219</td>
<td>20,126</td>
<td>20,225</td>
</tr>
<tr>
<td>Corrections</td>
<td>9,738</td>
<td>9,797</td>
<td>9,927</td>
<td>10,116</td>
<td>10,034</td>
<td>9,539</td>
</tr>
<tr>
<td>Judicial</td>
<td>4,297</td>
<td>4,381</td>
<td>4,457</td>
<td>4,628</td>
<td>4,567</td>
<td>4,601</td>
</tr>
<tr>
<td>Total Number of Employees - Primary Government</td>
<td>55,279</td>
<td>56,231</td>
<td>57,119</td>
<td>58,587</td>
<td>54,169</td>
<td>56,252</td>
</tr>
</tbody>
</table>

**Note:** This information was not available prior to 2005. The number of employees excludes job classes such as contractors, intermittent, durational, seasonal, trainee, temporary and part-time employment.
## Operating Indicators by Function

### Last Seven Fiscal Years

<table>
<thead>
<tr>
<th>Function</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Legislative</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Office of Legislative Management</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Public and Special Acts</td>
<td>259</td>
<td>310</td>
<td>267</td>
<td>319</td>
<td>206</td>
<td>256</td>
<td>200</td>
<td>270</td>
</tr>
<tr>
<td>Number of Amendments Drafted</td>
<td>2,840</td>
<td>2,359</td>
<td>2,614</td>
<td>2,102</td>
<td>2,040</td>
<td>2,977</td>
<td>2,853</td>
<td>3,889</td>
</tr>
<tr>
<td><strong>General Government</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Office of the State Treasurer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of Disbursements made Electronically</td>
<td>30.2%</td>
<td>43.4%</td>
<td>51.5%</td>
<td>56.7%</td>
<td>56.2%</td>
<td>64.2%</td>
<td>69.0%</td>
<td>68.8%</td>
</tr>
<tr>
<td>Number of Unclaimed Property Claims Paid</td>
<td>12,665</td>
<td>13,368</td>
<td>11,938</td>
<td>11,985</td>
<td>22,732</td>
<td>20,930</td>
<td>16,787</td>
<td>14,481</td>
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<tr>
<td><strong>Department of Revenue Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of Income Tax Returns Filed Electronically</td>
<td>n/a</td>
<td>n/a</td>
<td>45.0%</td>
<td>54.0%</td>
<td>67.0%</td>
<td>70.2%</td>
<td>72.4%</td>
<td>70.5%</td>
</tr>
<tr>
<td>Revenue Collected per $1 of Agency Expense</td>
<td>$156</td>
<td>$163</td>
<td>$191</td>
<td>$202</td>
<td>$202</td>
<td>$207</td>
<td>$207</td>
<td>$178</td>
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<tr>
<td><strong>Department of Public Works</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Construction Contracts Awarded</td>
<td>22</td>
<td>17</td>
<td>25</td>
<td>27</td>
<td>34</td>
<td>28</td>
<td>13</td>
<td>20</td>
</tr>
<tr>
<td>State Floor Space Owned and Leased</td>
<td>9,843,368</td>
<td>9,456,479</td>
<td>8,882,469</td>
<td>8,656,234</td>
<td>8,621,174</td>
<td>8,713,211</td>
<td>8,770,901</td>
<td>8,651,460</td>
</tr>
<tr>
<td><strong>Regulation and Protection</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Department of Public Safety</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Background Checks - Firearms</td>
<td>18,786</td>
<td>34,816</td>
<td>40,508</td>
<td>38,672</td>
<td>35,159</td>
<td>64,766</td>
<td>29,693</td>
<td>44,632</td>
</tr>
<tr>
<td>Number of Fingerprint Checks for CT/Pd's</td>
<td>129,538</td>
<td>121,849</td>
<td>118,717</td>
<td>107,056</td>
<td>122,193</td>
<td>258,111</td>
<td>178,379</td>
<td>165,603</td>
</tr>
<tr>
<td><strong>Department of Motor Vehicles</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Registered Motor Vehicles</td>
<td>2,900,000</td>
<td>2,950,000</td>
<td>3,020,000</td>
<td>3,078,000</td>
<td>3,040,000</td>
<td>3,015,867</td>
<td>3,016,521</td>
<td>3,002,772</td>
</tr>
<tr>
<td>Number of Licensed Drivers</td>
<td>2,300,000</td>
<td>2,430,000</td>
<td>2,300,000</td>
<td>2,460,000</td>
<td>2,400,000</td>
<td>2,848,602</td>
<td>2,883,324</td>
<td>2,916,143</td>
</tr>
<tr>
<td><strong>Department of Labor</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Initial Unemployment Claims</td>
<td>297,205</td>
<td>282,736</td>
<td>248,109</td>
<td>222,770</td>
<td>222,553</td>
<td>215,404</td>
<td>261,400</td>
<td>326,179</td>
</tr>
<tr>
<td>Number of Persons Using Employment Service (1)</td>
<td>57,198</td>
<td>49,183</td>
<td>54,915</td>
<td>61,103</td>
<td>116,100</td>
<td>170,701</td>
<td>211,613</td>
<td>87,100</td>
</tr>
<tr>
<td><strong>Conservation and Development</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Department of Environmental Protection</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nitrogen Discharged into Long Island Sound (2)</td>
<td>12,500</td>
<td>12,100</td>
<td>11,607</td>
<td>11,208</td>
<td>10,940</td>
<td>10,558</td>
<td>9,100</td>
<td>8,400</td>
</tr>
<tr>
<td>Attained Goal of Open Space (3)</td>
<td>72.0%</td>
<td>75.2%</td>
<td>77.4%</td>
<td>77.6%</td>
<td>77.8%</td>
<td>78.0%</td>
<td>78.0%</td>
<td>79.0%</td>
</tr>
<tr>
<td><strong>Department of Agriculture</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Farmers Participating in Farmers Market</td>
<td>119</td>
<td>140</td>
<td>175</td>
<td>180</td>
<td>220</td>
<td>280</td>
<td>350</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Health and Hospitals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Department of Public Health</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Tuberculosis Cases Identified</td>
<td>121</td>
<td>112</td>
<td>111</td>
<td>105</td>
<td>105</td>
<td>108</td>
<td>98</td>
<td>95</td>
</tr>
<tr>
<td>Number of Licenses Applications - New</td>
<td>11,883</td>
<td>11,141</td>
<td>11,592</td>
<td>12,914</td>
<td>12,750</td>
<td>15,439</td>
<td>12,595</td>
<td>12,964</td>
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<tr>
<td>Number of Licenses Applications - Renewal</td>
<td>139,297</td>
<td>143,777</td>
<td>145,985</td>
<td>136,069</td>
<td>133,887</td>
<td>140,973</td>
<td>123,014</td>
<td>149,818</td>
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<td><strong>Department of Developmental Services</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Number of Qualified Providers</td>
<td>143</td>
<td>136</td>
<td>132</td>
<td>127</td>
<td>161</td>
<td>184</td>
<td>176</td>
<td>188</td>
</tr>
<tr>
<td>Number of Persons Served in Various Programs</td>
<td>19,921</td>
<td>20,399</td>
<td>20,148</td>
<td>19,997</td>
<td>20,256</td>
<td>15,148</td>
<td>15,270</td>
<td>15,390</td>
</tr>
<tr>
<td><strong>Human Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Department of Social Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Medicaid Eligible Clients</td>
<td>354,944</td>
<td>385,518</td>
<td>393,998</td>
<td>403,972</td>
<td>399,635</td>
<td>392,179</td>
<td>409,960</td>
<td>434,480</td>
</tr>
<tr>
<td>Temp Family Assistance Average Caseload</td>
<td>26,234</td>
<td>24,404</td>
<td>24,658</td>
<td>24,104</td>
<td>22,556</td>
<td>21,124</td>
<td>20,203</td>
<td>20,862</td>
</tr>
<tr>
<td>Child Care Number of Children Served</td>
<td>32,400</td>
<td>26,974</td>
<td>19,799</td>
<td>18,920</td>
<td>21,440</td>
<td>22,523</td>
<td>21,422</td>
<td>18,204</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Department of Higher Education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Degrees Conferred - Statewide</td>
<td>30,498</td>
<td>32,499</td>
<td>33,659</td>
<td>34,582</td>
<td>35,694</td>
<td>36,045</td>
<td>36,634</td>
<td>38,047</td>
</tr>
<tr>
<td>Enrollment - Statewide</td>
<td>169,739</td>
<td>170,597</td>
<td>172,631</td>
<td>174,257</td>
<td>176,542</td>
<td>178,855</td>
<td>184,544</td>
<td>191,134</td>
</tr>
</tbody>
</table>

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162
# Operating Indicators by Function

Last Seven Fiscal Years

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transportation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Transportation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active Construction Projects</td>
<td>122</td>
<td>212</td>
<td>190</td>
<td>181</td>
<td>159</td>
<td>175</td>
<td>212</td>
<td>281</td>
</tr>
<tr>
<td>Miles of Road Resurfaced</td>
<td>319</td>
<td>310</td>
<td>362</td>
<td>305</td>
<td>191</td>
<td>218</td>
<td>265</td>
<td>215</td>
</tr>
<tr>
<td><strong>Corrections</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Corrections</td>
<td></td>
<td></td>
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<td></td>
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(1) The department of Labor assists individuals in job search, resume preparation, etc.
(2) Average annual number of tons
(3) Percentage of accomplished State goal to acquire 320,957 acres of open space

n/a = statistic not available at time of publication
## Capital Asset Statistics by Function

### Last Eight Fiscal Years

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**Note:** The State implemented GASB statement 34 for fiscal year 2002. However, the information for FY 2002 is not available.
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* Restated for comparison purposes.
Office of the State Comptroller Organization

Nancy Wyman
State Comptroller

Mark E. Ojakian
Deputy Comptroller

FISCAL POLICY DIVISION
Brenda Halpin
Director

ACCOUNTS PAYABLE DIVISION
Mark Aronowitz
Director

RETIREMENT SERVICES DIVISION
Mark E. Ojakian
Director

HEALTHCARE POLICY & BENEFIT DIVISION
Thomas Woodruff
Director

PAYROLL SERVICES DIVISION
Gary Reardon
Director

BUDGET & FINANCIAL ANALYSIS DIVISION
John Clark
Director

Accounting Services
Gerardo Villa, CPA
Assistant Director

Richard DePaolis
Nancy Walsh
Julie Wilson
Christopher Bacon
Anthony Torcia
Thomas Deasy
Richard Haley
Joann Lacaria
Yvette Jenkins
Uma Prasad
Brian Connery
Sylvia Caraballo