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SEAN SCANLON
STATE COMPTROLLER

TARA DOWNES
DEPUTY COMPTROLLER

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

March 27, 2025

The Honorable Erick Russell
State Treasurer
165 Capitol Ave
Hartford, CT. 06106

Dear Treasurer Russell,

I have reviewed the accompanying general purpose financial statements of the State of Connecticut for the Fiscal Year ended June 30, 2024.

The statements and the subsequent Independent Auditors' Report are incorporated within the Annual Comprehensive Financial Report of the State of Connecticut, which is prepared by my office using the guidance of generally accepted accounting principles.

Sincerely,

DocuSigned by:

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Sean Scanlon
State Comptroller

STATE OF CONNECTICUT

AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

STATE CAPITOL
210 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106-1559

CRAIG A. MINER

INDEPENDENT AUDITORS' REPORT

The Honorable Ned Lamont, Governor
Members of the General Assembly

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Connecticut, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the State of Connecticut's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Connecticut, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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

		Percentage of Opinion Unit's Total	
Opinion Unit	Fund/Entity	Assets	Revenues/ Additions
Governmental Activities	Special Transportation Fund, Transportation Special Tax Obligations Fund, and Transportation Restricted Grants Fund	8%	10%

		Percentage of Opinion Unit's Total	
Opinion Unit	Fund/Entity	Assets	Revenues/ Additions
Business-Type Activities	John Dempsey Hospital, UConn Medical Group and Finance Corp within the University of Connecticut and Health Center, Connecticut State Universities, Connecticut State Community College, Clean Water Fund Federal Account, and Drinking Water Fund Federal Account	54%	35%
Aggregate Discretely Presented Component Units	Connecticut Housing Finance Authority, Connecticut Lottery Corporation, Connecticut Airport Authority, MIRA Dissolution Authority, Connecticut Health and Educational Facilities Authority, Connecticut Innovation Incorporated, Capital Region Development Authority, UConn Foundation, Connecticut Green Bank, and Connecticut Port Authority	100%	100%
Transportation Fund	Special Transportation Fund	100%	98%
Debt Service Fund	Transportation Special Tax Obligations Fund	100%	100%
Restricted Grants and Accounts Fund	Transportation Restricted Grants Fund	8%	14%
Aggregate Remaining Fund Information	Connecticut Paid Family and Medical Leave Insurance Authority	1%	3%

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

Basis for Opinions

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

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Connecticut General Assembly passed a state budget for the 2024 and 2025 biennium that changed the way fringe benefits are paid for institutions of higher education. Effective July 1, 2023, the state directly funds employee retirement benefit costs, which are therefore no longer charged to the University of Connecticut, the Health Center, or the Board of Regents. As a result, there is a corresponding reduction in appropriations to those institutions. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2025, on our consideration of the State of Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Connecticut's internal control over financial reporting and compliance.

John C. Geragosian State Auditor	Craig A. Miner State Auditor

March 27, 2025
State Capitol
Hartford, Connecticut

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The following is a discussion and analysis of the State's financial performance and condition providing an overview of the State's activities for the fiscal year ended June 30, 2024. The information provided here should be read in conjunction with the letter of transmittal in the front of this report and with the State's financial statements, which follow this section.

HIGHLIGHTS

Government-wide Financial Statements

The State's total net position (deficit) decreased $2.1 billion (or 5.1 percent) as a result of this year's operations. Net position (deficit) of governmental activities decreased by $1.6 billion (or 3.3 percent) and net position of business-type activities increased by $489.2 million (or 7.0 percent). At year-end, net position (deficit) of governmental activities and business-type activities totaled a negative ($47.0) billion and $7.5 billion, respectively.

Component units reported net position of $3.3 billion, an increase of $293.1 million (or 9.8 percent) from the previous year.

Fund Financial Statements

The governmental funds reported combined ending fund balance of $10.6 billion, a decrease of ($0.7) billion in comparison with the prior year. Of this total fund balance, $266.6 million represents nonspendable fund balance, $6.2 billion represents restricted fund balance, $5.0 billion represents committed fund balance, and $270.9 million represents assigned fund balance. A negative ($1.1) billion unassigned fund balance offsets these amounts. This deficit belongs primarily to the General Fund which increased by $446.5 million during the fiscal year.

The State's stabilization account, the General Fund Budget Reserve Fund (Rainy Day Fund) ended the fiscal year with a balance of $4.1 billion compared to the prior year's balance of $3.3 billion. The primary reason for the increase in the current fiscal year, as in the prior fiscal year, was that significant progress has been made toward building the balance of the Budget Reserve Fund. This was mainly due to the revenue volatility cap, first implemented in fiscal year 2018. This statutory provision requires revenues above a certain threshold to be transferred to the Budget Reserve Fund. For fiscal year 2024, the cap was just over $4.1 billion for estimated and final income tax payments and revenue from the pass-through entity tax. At year-end, a volatility transfer of $1.32 billion was made to the Budget Reserve Fund.

Prior to the close of fiscal year 2024, the balance in the Budget Reserve Fund was just over $3.3 billion. Adding the $1.32 billion volatility transfer brought the Budget Reserve Fund total to $4.6 billion, or 20.2 percent of net General Fund appropriations for fiscal year 2025. As a result, the Budget Reserve Fund was $0.5 billion above the statutory 18.0 percent cap. According to CGS Section 4-30a(c)(1)(A), no further transfers will be made to the Budget Reserve Fund. Instead, the State Treasurer decides what is in the best interest of the State, whether to transfer the balance above the 18.0 percent threshold as an additional contribution to the State Employee Retirement Fund (SERF) or to the Teachers' Retirement Fund (TRF). In late September, the State Treasurer elected to transfer $335.0 million to TRF to reduce unfunded pension liability, with the remaining balance of $273.2 million going to SERF. This brought the Budget Reserve Fund to just over $4.1 billion or approximately 18.0 percent of net General Fund appropriations for fiscal year 2024. The General Fund surplus of $401.0 million was transferred in December, with $76.0 million going to the Budget Reserve Fund to bring the balance to 18.0 percent of net General Fund appropriations for fiscal year 2024, $179.0 million going to SERF, and $146.0 million going to TRF.

Tax revenues in the governmental funds increased $1.3 billion or 5.9 percent. General Fund tax revenues increased $574.7 million (or 2.9 percent). Collections in four of the six largest tax categories ended the year above their budgeted targets. The Pass-Through Entity Tax was a strong performer, and receipts ended the year $149.1 million (or 8.2 percent) above the budget plan. Income tax collections finished well above the budgeted plan, $779.7 million or 7.1 percent over target, and the corporation tax outperformed its target by $41.1 million (or 2.7 percent). This was partly offset by the underperformance of sales and use tax, which came in ($296.5) million (or (5.6) percent) under the budget plan, and the real estate conveyance tax, which came in under budget by ($3.1) million (or (1.1) percent).

The Enterprise funds reported net position of $7.5 billion at year-end, an increase of $743.6 million during the year, substantially all of which was invested in capital assets or restricted for specific purposes.

Long–Term Debt

Total long-term debt was $84.2 billion for governmental activities at year-end, of which $27.5 billion was bonded debt. Total long-term debt was $2.0 billion for business-type activities at year-end, of which $1.3 billion was bonded debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements – Reporting the State as a Whole
The Statement of Net Position and the Statement of Activities beginning on page II-C-26 together comprise the government-wide financial statements. These financial statements are designed to provide readers with a broad overview of the State's finances, in a manner similar to a private-sector business. All revenues and expenses are recognized regardless of when cash is received or spent, and all assets, deferred outflows of resources, liabilities and deferred inflows of resources, including capital assets and long-term debt, are reported at the entity level. The government-wide statements report the State's net position and changes in net position. Over time, increases and decreases in net position measure whether the State's overall financial condition is getting better or worse. Non-financial factors such as the State's economic outlook, changes in its demographics, and the condition of capital assets and infrastructure should also be considered when evaluating the State's overall condition.

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

The statement of activities presents information showing how the State's net position changed during fiscal year 2024. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

- **Governmental Activities** – The State's basic services fall under this activity including legislative, general government, regulation and protection, conservation and development, health and hospital, transportation, human services, education, corrections, and judicial. Taxes and intergovernmental revenues are major funding sources for these programs.

- **Business-type Activities** – The State operates certain activities much like private-sector companies by charging fees to cover all or most of the costs of providing goods and services. The major business-type activities of the State include the University of Connecticut and Health Center, Board of Regents (Connecticut State Universities & Community College), Employment Security Fund, and Clean Water Fund.

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

Fund Financial Statements – Report the State's Most Significant Funds
The fund financial statements beginning on page II-C-29 provide detailed information about individual major funds, not the State as a whole. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The State uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the State can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

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

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

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

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

Reconciliation between Government-wide and Fund Statements

The financial statements include schedules on pages II-C-30 and II-C-32 which reconcile and explain the differences between the amounts reported for governmental activities on the government-wide statements (full accrual basis of accounting, long-term focus) with amounts reported on the governmental fund statements (modified accrual basis of accounting, short-term focus). The following are some of the major differences between the two statements.

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

Notes to the Financial Statements

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

Required Supplementary Information (RSI)

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

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

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Net Position
The combined net position (deficit) of the State decreased $2.1 billion or 5.1 percent. In comparison, last year the combined net position (deficit) decreased $3.8 billion or (8.3) percent. The net position (deficit) of the State's governmental activities decreased $1.6 billion (or 3.3 percent) to ($47.0) billion during the current fiscal year.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current and Other Assets	$ 15,096	$ 16,194	$ 2,526	$ 2,270	$ 17,622	$ 18,464
Noncurrent Assets	20,932	19,951	7,562	7,419	28,494	27,370
Total Assets	$ 36,028	$ 36,145	$ 10,088	$ 9,689	$ 46,116	$ 45,834
Deferred Outflows of Resources	$ 12,624	$ 16,500	$ 6	$ 8	$ 12,630	$ 16,508
LIABILITIES						
Current Liabilities	$ 6,596	$ 7,311	$ 774	$ 812	$ 7,370	$ 8,123
Long-term Liabilities	81,693	84,463	1,790	1,841	83,483	86,304
Total Liabilities	$ 88,289	$ 91,774	$ 2,564	$ 2,653	$ 90,853	$ 94,427
Deferred Inflows of Resources	$ 7,335	$ 9,458	$ 7	$ 9	$ 7,342	$ 9,467
NET POSITION						
Net Investment in Capital Assets	$ 7,125	$ 7,192	$ 3,255	$ 3,200	$ 10,380	$ 10,392
Restricted	5,843	6,731	2,241	2,196	8,084	8,927
Unrestrectied	(59,941)	(62,509)	2,027	1,638	(57,914)	(60,871)
Total Net Position (Deficit)	$ (46,973)	$ (48,586)	$ 7,523	$ 7,034	$ (39,450)	$ (41,552)

Total investment in capital assets net of related debt was $7.1 billion (buildings, roads, bridges, etc.); and $5.8 billion was restricted for specific purposes, resulting in an unrestricted net position deficit of ($59.9) billion for governmental activities. This deficit is the result of having long-term obligations that are greater than currently available resources. The State has recorded the following outstanding long-term obligations which contributed to the deficit: a) general obligation bonds outstanding of $16.9 billion to finance various municipal grant programs (e.g., school construction) and $1.9 billion issued to finance a contribution to a pension trust fund; and b) other long-term obligations in the amount of $57.4 billion, which are partially funded or not funded by the State (e.g., net pension and OPEB liabilities and compensated absences).

Net position of the State's business-type activities increased $489.2 million (or 7.0 percent) to $7.5 billion during the current fiscal year. Of this amount, $3.3 billion was invested in capital assets and $2.2 billion was restricted for specific purposes, resulting in unrestricted net position of $2.0 billion. These resources are not available to make up for the net position deficit of the State's governmental activities. The State can only use these net positions to finance the ongoing operations of its Enterprise funds (such as the University of Connecticut and Health Center and others).

Changes in net position for the years ended June 30, 2024 and 2023 were as follows:

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

	Governmental Activities		Business-Type Activities		Total Primary Government		Percent Change
	2024	2023	2024	2023	2024	2023	24 - 23
REVENUES							
Program Revenues							
Charges for Services	$ 2,349	$ 3,700	$ 3,592	$ 3,411	$ 5,941	$ 7,111	-16.5%
Operating Grants and Contributions	10,570	11,763	773	703	11,343	12,466	-9.0%
Capital Grants and Contributions	1,272	998	54	16	1,326	1,014	30.8%
General Revenues							
Taxes	23,267	22,035	-	-	23,267	22,035	5.6%
Casino Gaming Payments	306	279	-	-	306	279	9.7%
Lottery Tickets	376	392	-	-	376	392	-4.1%
Other	687	566	111	73	798	639	24.9%
Total Revenues	38,827	39,733	4,530	4,203	43,357	43,936	-1.3%
EXPENSES							
Legislative	127	120	-	-	127	120	5.8%
General Government	3,665	5,795	-	-	3,665	5,795	-36.8%
Regulation and Protection	1,183	1,082	-	-	1,183	1,082	9.3%
Conservation and Development	1,350	1,057	-	-	1,350	1,057	27.7%
Health and Hospital	3,348	2,835	-	-	3,348	2,835	18.1%
Transportation	3,036	2,520	-	-	3,036	2,520	20.5%
Human Services	11,368	10,671	-	-	11,368	10,671	6.5%
Education, Libraries, and Museums	7,110	5,924	-	-	7,110	5,924	20.0%
Corrections	2,345	2,021	-	-	2,345	2,021	16.0%
Judicial	1,175	989	-	-	1,175	989	18.8%
Interest and Fiscal Charges	965	1,408	-	-	965	1,408	-31.5%
University of Connecticut & Health Center	-	-	2,924	3,171	2,924	3,171	-7.8%
Board of Regents	-	-	1,268	1,499	1,268	1,499	-15.4%
Employment Security	-	-	892	634	892	634	40.7%
Clean Water	-	-	38	36	38	36	5.6%
Other	-	-	49	42	49	42	16.7%
Total Expenses	35,672	34,422	5,171	5,382	40,843	39,804	2.6%
Excess (Deficiency) Before Transfers	3,155	5,311	(641)	(1,179)	2,514	4,132	-39.2%
Transfers Out	(412)	-	-	-	(412)	-	0.0%
Transfers - Internal Activities	(1,130)	(1,607)	1,130	1,607	-	-	0.0%
Change in Net Position	1,613	3,704	489	428	2,102	4,132	-49.1%
Net Position (Deficit) - Beginning	(48,586)	(52,291)	7,033	6,607	(41,553)	(45,684)	-9.0%
Net Position (Deficit) - Ending	$ (46,973)	$ (48,587)	$ 7,522	$ 7,035	$ (39,451)	$ (41,552)	-5.1%

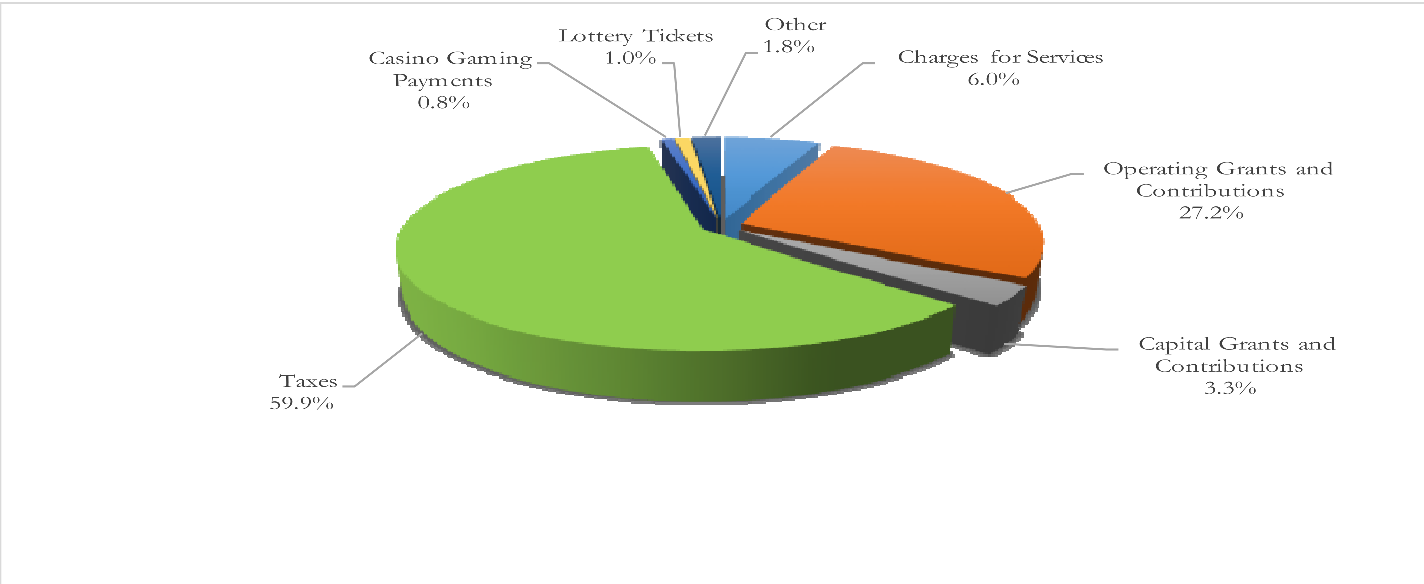
Changes in Net Position

This year the State's governmental activities received 59.9 percent of its revenue from taxes and 30.5 percent of its revenues from grants and contributions. In the prior year, taxes accounted for 55.5 percent and grants and contributions were 32.1 percent of total revenues. Charges for services such as licenses, permits, and fees, rents and fines, and other miscellaneous collections comprised 9.6 percent of total revenue in fiscal year 2024, compared to 12.4 percent in fiscal year 2023.

Governmental Activities

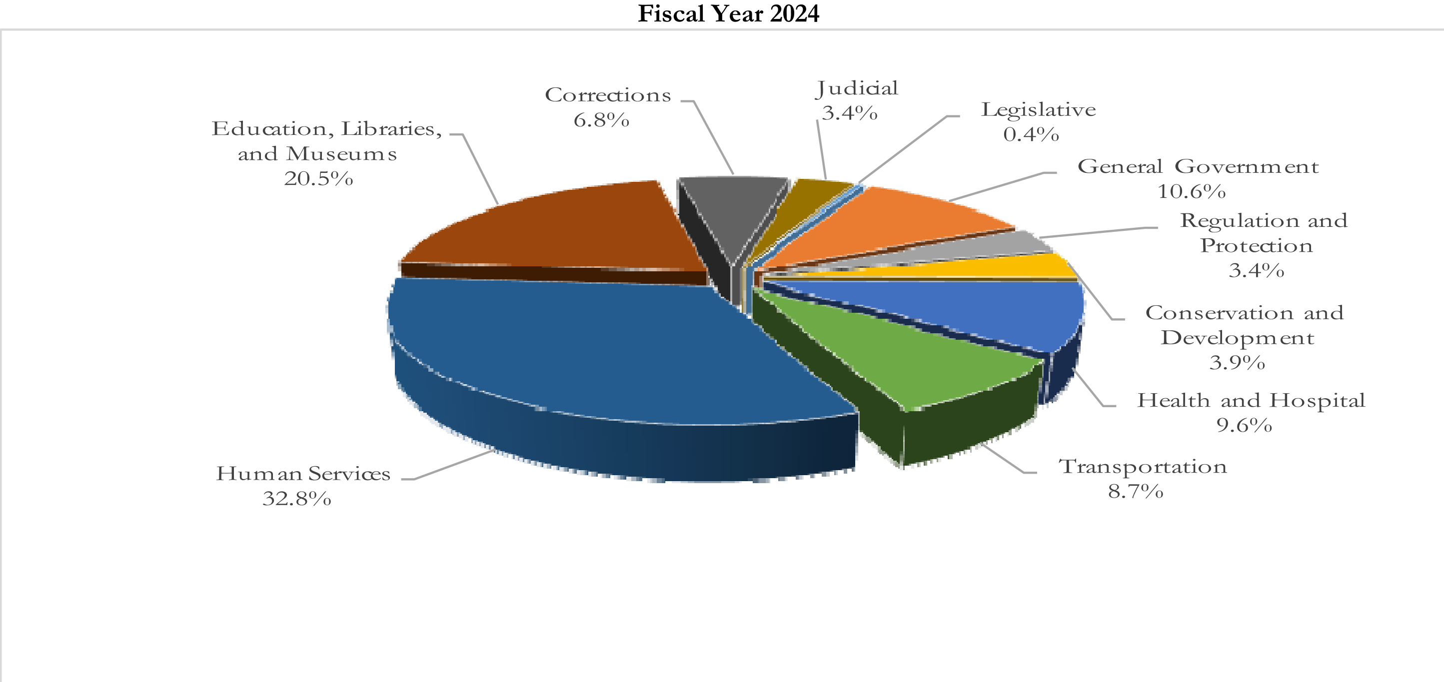
The following graph is a representation of the Statement of Activities revenues for governmental activities. Governmental activities revenues decreased by ($906.0) million (or (2.3) percent). This decrease was primarily due to a decreases in charges for services and operating grants and contributions of ($1.7) and ($1.2) billion, respectively. These decreases were partially offset by an increase of $1.2 billion in taxes and by increases in other revenue categories.

Revenue by Source – Governmental Funds
Fiscal Year 2024



The following graph is a representation of the Statement of Activities expenses for governmental activities. Governmental activities expenses increased by $1.3 billion, or 3.6 percent.

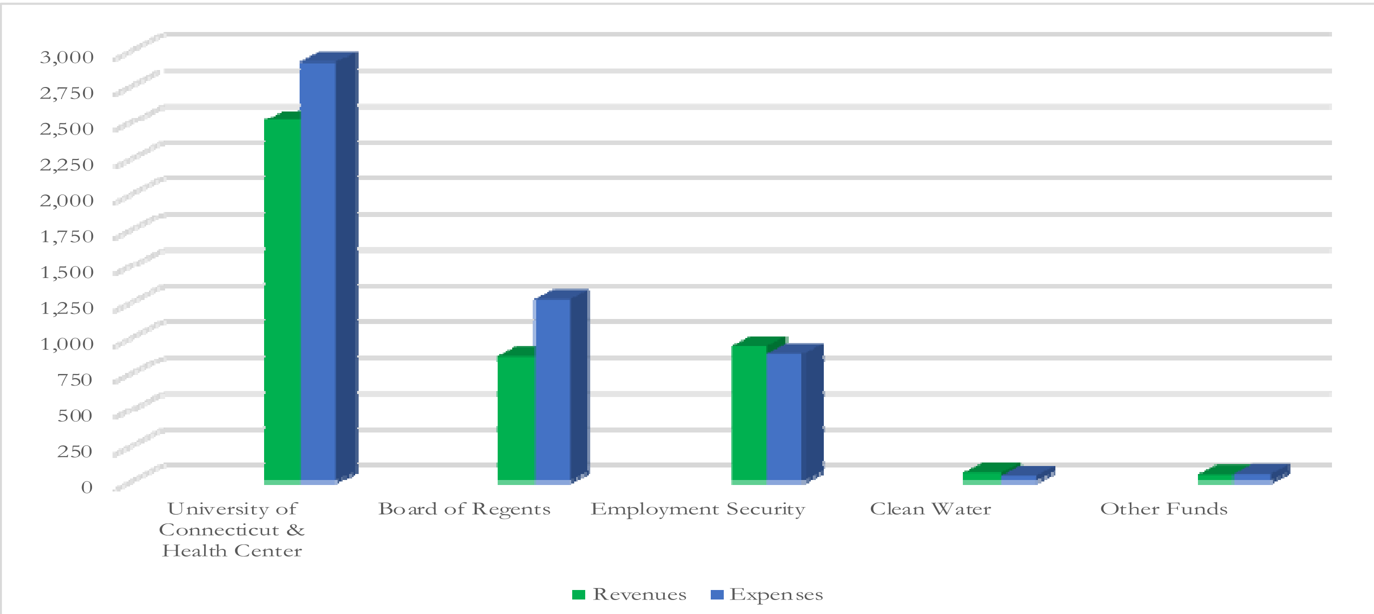
Expenses by Type – Governmental Funds
Fiscal Year 2024



Business-Type Activities

Net position of business-type activities increased by $487.0 million during the fiscal year. The following chart highlights he changes in net position for the major enterprise funds.

Business-Type Activities
Program Revenues and Expenses
For the Fiscal Year June 30, 2024
(Amounts in Millions)



During the year, total revenues of business-type activities increased $327.0 million (or 7.8 percent), while total expenses decreased ($211.0) million (or 3.9 percent). In comparison, last year total revenues decreased ($563.0) million (or (11.8) percent), while total expenses decreased ($680.0) million (or (11.2) percent). The decrease in total expenses of ($211.0) million was due mainly to a reduction in Board of Regents salaries, wages, and administrative expenses of ($227.8) million, the result of certain fringe costs being paid directly from the State's General Fund rather than reimbursed to the Board of Regents. This decrease was slightly offset by smaller increases in various other expense categories. Although total expenses exceeded total revenues by $641 million, this deficiency was reduced by transfers of $1.1 billion, resulting in an increase in net position of $489 million.

FINANCIAL ANALYSIS OF THE STATE'S GOVERNMENTAL FUNDS

As of the end of the fiscal year, the State's governmental funds had fund balances of $10.6 billion, a decrease of ($737.1) million over the prior year ending fund balances. Of the total governmental fund balances, $6.2 billion represents fund balance that is considered restricted for specific purposes by external constrains or enabling legislation; $266.6 million represents fund balance that is nonspendable and $5.3 billion represents fund balance that is committed or assigned for specific purposes. A negative ($1.1) billion unassigned fund balance offsets these amounts.

General Fund

The General Fund is the chief operating fund of the State. At the end of the fiscal year, the General Fund had a fund balance of $4.0 billion, an increase of $368.2 million in comparison with the prior year. Of this total fund balance, $5.1 billion represents nonspendable fund balance, committed, or assigned for specific purposes, leaving a deficit of ($1.1) billion in unassigned fund balance.

Specific changes to the General Fund balance included the following:

- Nonspendable fund balance decreased by ($2.1) million or (2.1) percent.
- Committed fund balance increased by $823.5 million or 20.6 percent. The primary reason for the increase, as in the prior fiscal years, significant progress was made toward building the balance of the Budget Reserve Fund. This was primarily due to the revenue volatility cap, first implemented in fiscal year 2018. This statutory provision requires revenues above a certain threshold to be transferred to the Budget Reserve Fund.
- Assigned fund balance increased by $205.0 million.
- Unassigned fund balance deficit increased by $446.5 million.

At the end of fiscal year 2024, General Fund revenues were ($55.3) million (or (0.2) percent) lower than fiscal year 2023 revenues. This change was primarily attributed to decreases in licenses, permits and fees (($11.2) million), lottery tickets (($16.0) million), federal grants (($645.0) million), and assessments (($2.6) million). These decreases were largely offset by increases in taxes ($574.7 million) and fines, forfeits, and rents ($3.2 million).

At the end of fiscal year 2024, General Fund expenditures were ($165.8) million (or (0.7) percent) lower than fiscal year 2023. This was primarily attributable to decreases in general government (($3.3) billion), human services (($588.4) million), off-set by increases in health and hospitals ($1.0 billion) and education, libraries, and museums ($516.2 million).

Debt Service Fund
At the end of fiscal year 2024, the Debt Service Fund had a fund balance of $1.4 billion, all of which was restricted, an increase of $106.7 million in comparison with the prior year.

Transportation Fund
The State's Transportation Fund had a fund balance of $1.2 billion at the end of fiscal 2024. Of this amount, $36.4 million was in nonspendable form and $1.1 billion was restricted or committed for specific purposes. Fund balance increased by $362.8 million during the current fiscal year.

At the end of fiscal year 2024, Transportation Fund revenues increased by $320.8 million (or 15.6 percent) and expenditures increased by $167.0 million (or 15.6 percent). The increase in revenue was primarily due to an increase in taxes.

Restricted Grants and Accounts Fund
At the end of fiscal year 2024, the Restricted Grants and Accounts Fund had a fund balance of $2.0 billion, all of which was restricted for specific purposes, a decrease of ($472.9) million in comparison with the prior year.

Total revenues were ($1.5) billion (or 13.0 percent) lower than in fiscal year 2023. Overall, total expenditures were ($1.6) billion (or (13.6) percent) lower than fiscal year 2023.

Grant and Loan Programs
As of June 30, 2024, the Grant and Loan Programs Fund had a fund balance of $550.8 million, all of which was restricted or assigned for specific purposes, a decrease of ($356.5) million in comparison with the prior year.

FINANCIAL ANALYSIS OF THE STATE'S PROPRIETARY FUNDS

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

FINANCIAL ANALYSIS OF THE STATE'S FIDUCIARY FUNDS

The State maintains Fiduciary funds for the assets of Pension and Other Employee Benefit (OPEB) Trust funds, a Fiduciary Component Unit, an Investment Trust Fund, a Private-Purpose Trust fund, and Custodial Funds. The net positions of the State's fiduciary funds totaled $63.7 billion, an increase of $7.7 billion (or 13.9 percent) when compared to the prior fiscal year ending net position.

BUDGET HIGHLIGHTS – GENERAL AND SPECIAL TRANSPORTATION FUNDS

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

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

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

In fiscal year 2024, for the seventh consecutive year, progress was made toward building the balance in the Budget Reserve Fund (BRF). This was primarily due to the revenue volatility cap, first implemented in fiscal year 2018. This statutory provision requires revenues above a certain threshold to be transferred to the BRF. For fiscal year 2024, the cap was just over $4.1 billion for estimated and final income tax payments and revenue from the Pass-through Entity Tax. At year-end, a volatility transfer of $1.3 billion was made to the BRF.

Prior to the close of fiscal year 2024, the balance of the BRF was just over $3.3 billion. Adding the $1.3 billion volatility transfer brought the BRF total to $4.6 billion (or 20.2 percent) of net General Fund appropriations for fiscal year 2024. As a result, the BRF was roughly $0.5 billion above the statutory 18.0 percent cap. According to CGS Section 4-30a (c)(1)(A), no further transfers will be made to BRF. Instead, the State Treasurer transfers any remaining General Fund surplus, as he determines to be in the State's best interest, as follows:

1. first to reduce the State Employees' Retirement Fund's (SERF) unfunded liability by up to 5.0 percent;
2. next to reduce the Teachers' Retirement Fund's (TRF) unfunded liability by up to 5.0 percent; and
3. third to make additional payments towards the SERF.

In September the State Treasurer elected to transfer $335.0 million to TRF, with the remaining balance of $273.2 million going to SERF. The General Fund surplus of $401.0 million was transferred in December, with $76.0 million going to the BRF to bring the balance to 18.0 percent of net General Fund appropriations for fiscal year 2024, $179.0 million going to SERF, and $146.0 going to TRF.

Achieving and surpassing the 18.0 percent threshold represents an important benchmark for Connecticut. Due to fiscal discipline and hard work, our State is in a much stronger position to provide critical services to those in need and to weather any future economic downturn that may occur.

The fiscal year 2024 budget plan as initially formulated included a built-in General Fund surplus of $399.7 million. Surplus estimates declined from the original budget plan early in the year due to higher than budgeted spending projections, especially related to Medicaid and a change in the accounting treatment of certain state employee fringe benefits. In the spring, the revenue outlook improved, and the projected surplus was reduced by Public Acts No. 24-81 and 24-151, the fiscal year 2024 budget and finance, revenue and bonding bills. Certain provisions affected fiscal year 2024, including increasing fiscal year 2024 General Fund net appropriations by $89.3 million and increasing the General Fund revenue transfer from fiscal year 2024 to fiscal year 2025 by $110.0 million. General Fund revenues finished the year higher than anticipated, partially offsetting the additional expenditures.

In fiscal year 2024 General Fund expenditures totaled $22,779,386,742 on the statutory basis of accounting. This represented an increase of $580.5 million (or 2.6 percent) above fiscal year 2023 spending levels. Several appropriations saw large spending increases that accounted for much of the growth in fiscal year 2024. The largest were contributions to state pension plans. The employer contribution to the Teacher's Retirement Fund increased by $395.6 million (or 25.1 percent) over fiscal year 2023. The General Fund employer contribution to the State Employee Retirement Fund decreased by ($650.8) million (or (20.0) percent) over fiscal year 2023, primarily due to an increase in payments toward unfunded pension liability.

On the statutory basis of accounting, realized revenues totaled $22,716,130, which represented an increase of $210.8 million (or 0.9 percent) above the fiscal year 2024 budget plan. Collections in the four of the six largest tax categories ended the year above their budget targets. The strongest performer was Estimated and Final Income Tax collections, which finished the year $494.2 million (or 18.7 percent) over target. Withholding finished $285.5 million (or 3.4 percent) over its budget target. A strong stock market, continued job growth, and increased wages contributed to increased collections. Pass-Through Entity Tax (PET), which is levied on Partnerships and S-Corporations, ended the year $149.1 million (or 8.2 percent) above the budget plan. Due in part to weaker than anticipated consumer demand and easing inflation, the Sales and Use Tax came in ($296.5) million (or (5.6) percent) below the budget plan. The Health Provider tax also came in under budget by ($72.6) million (or 7.6 percent).

On a statutory basis of accounting, Special Transportation Fund (STF) spending totaled $2,048,792,448 in fiscal year 2024, an increase of $184.0 million (or 9.9 percent) compared with the prior fiscal year. The largest category of growth was debt service, which grew by $52.2 million (or 6.4 percent) above fiscal year 2023 levels. GAAP-based budgeting accruals, mostly salary and wages, resulted in a decrease of ($5.5) million. The STF employer contribution to SERF decreased by ($8.1) million (or (4.9) percent) over fiscal year 2023, largely due to an increase in payments toward the unfunded pension liability. Personal Services, the primary account for salaries, decreased by ($6.1) billion (or (2.4) percent).

The Special Transportation Fund had revenue of $2,410,571 on the statutory basis of accounting, which was $58.0 million (or 2.5 percent) above the budget plan for fiscal year 2024. The Motor Fuels Tax and the Sales Tax – DMV outperformed budget targets by $8.9 million (or 1.8 percent) and $7.8 million or 7.3 percent, respectively. In contrast, the Oil Companies Tax came in below the budget target by ($28.4) million (or (7.3) percent), and Sales and Use Tax came in ($15.8) million (or (1.8) percent) below budget expectations.

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, 2024, totaled $24.1 billion (net of accumulated depreciation/amortization). This investment in capital assets includes land, art and historical collections, buildings, improvements other than buildings, equipment, right-to-use assets, infrastructure, and construction in progress. The net increase in the State's investment in capital assets for the fiscal year was $1.0 billion.

Major capital asset events for governmental activities during the fiscal year include additions to land, art and historical collections, right-to-use assets, infrastructure, and construction in progress of $1.5 billion and depreciation expense of $729.5 million.

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

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

	Governmental Activities		Business-Type Activities		Total Primary Government		Percent Change
	2024	2023	2024	2023	2024	2023	24 - 23
Land	$ 2,020	$ 1,987	$ 78	$ 79	$ 2,098	$ 2,066	1.5%
Art & Historical Collections	225	225	71	68	296	293	1.0%
Construction in Progress	7,542	6,846	416	257	7,958	7,103	12.0%
Buildings	1,483	1,500	4,046	4,160	5,529	5,660	-2.3%
Improvements Other than Buildings	167	180	420	425	587	605	-3.0%
Equipment	851	782	215	189	1,066	971	9.8%
Intangible Assets	29	26	36	44	65	70	-7.1%
Right-to-use Assets	87	95	261	258	348	353	-1.4%
Infrastructure	6,143	6,019	-	-	6,143	6,019	2.1%
Total	$ 18,547	$ 17,660	$ 5,543	$ 5,480	$ 24,090	$ 23,140	4.1%

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

Long-Term Debt - Bonded Debt

At the end of the current fiscal year, the State had total debt outstanding of $28.8 billion. Pursuant to various public and special acts, the State has authorized the issuance of the following types of debt: general obligation debt (payable from the General Fund), special tax obligation debt (payable from the Debt Service Fund), and revenue debt (payable from specific revenues of the enterprise funds).

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
General Obligation and Revenue Bonds (in Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
General Obligtion Bonds	$ 16,932	$ 17,622	$ -	$ -	$ 16,932	$ 17,622
Direct Borrowings & Direct Placement	231	247	-	-	231	247
Transportation Related Bonds	7,860	7,451	-	-	7,860	7,451
Revenue Bonds	-	-	1,198	1,183	1,198	1,183
Premiums and Deferred Amounts	2,497	2,534	122	130	2,619	2,664
Total	$ 27,520	$ 27,854	$ 1,320	$ 1,313	$ 28,840	$ 29,167

The State's total bonded debt decreased by ($327.0) million (or 1.1 percent) during the current fiscal year. This decrease resulted mainly from an decrease in General Obligation bonds of ($690.0) million. Section 3-21 of the Connecticut General Statutes provides that the total amount of bonds, notes or other evidences of indebtedness payable from General Fund tax receipts authorized by the General Assembly but have not been issued and the total amount of such indebtedness which has been issued and remains outstanding shall not exceed 1.6 times the total estimated General Fund tax receipts of the State for the current fiscal year. In computing the indebtedness at any time, revenue anticipation notes, refunded indebtedness, bond anticipation notes, tax increment financing, budget deficit bonding, revenue bonding, balances in debt retirement funds and other indebtedness pursuant to certain provisions of the General Statutes shall be excluded from the calculation. As of the date of this report, the State had a debt incurring margin of $7.0 billion.

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

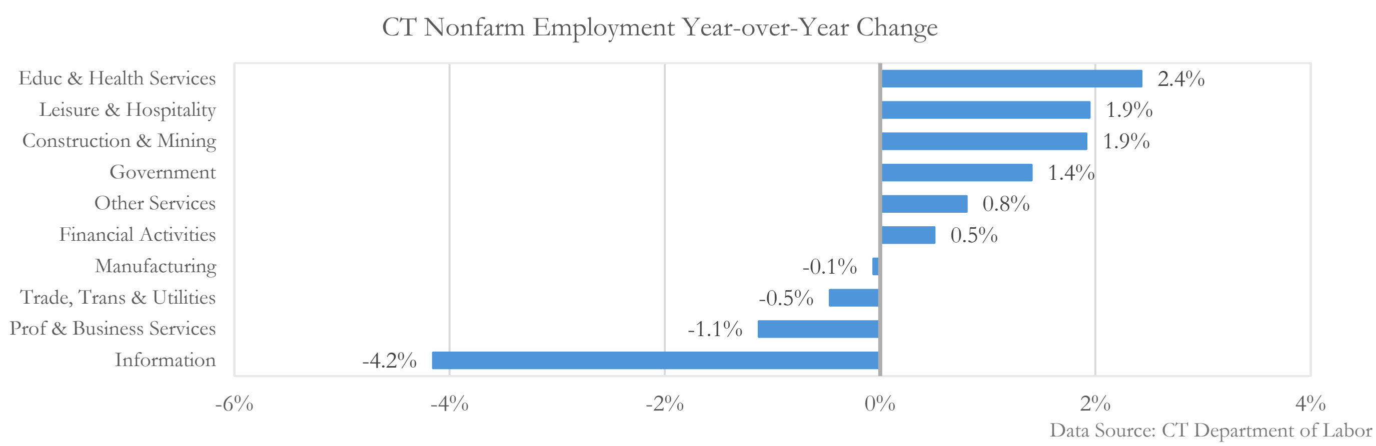
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Net Pension Liability	$ 37,849	$ 40,357	$ -	$ -	$ 37,849	$ 40,357
Net OPEB Liability	16,973	16,902	-	-	16,973	16,902
Compensated Absences	578	561	204	196	782	757
Workers Compensation	807	817	-	-	807	817
Lease Liabilities	58	65	207	181	265	246
Subscription Liabilities	31	31	53	60	84	91
Non-exchange Financial Guarantees	337	371	-	-	337	371
Federal Loan	-	-	4	4	4	4
Other	55	64	225	288	280	352
Total	$ 56,688	$ 59,168	$ 693	$ 729	$ 57,381	$ 59,897

The State's other long-term obligations decreased by ($2.5) billion (or 4.2 percent) during the fiscal year. This decrease was due mainly to a decrease in the Net Pension Liability and Net OPEB Liability (Governmental activities) of ($2.4) billion (or 4.3 percent). Additional information on the State's long-term debt can be found in Notes 16 and 17 of this report.

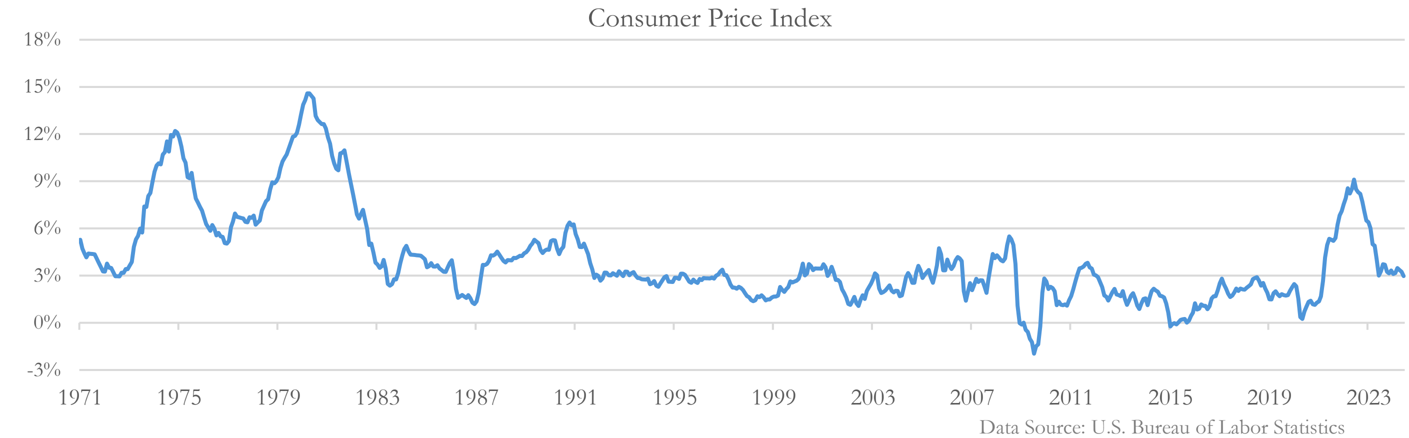
ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

Connecticut's budget results are ultimately dependent upon the performance of the national and state economies. In fiscal year 2024, the economy proved itself resilient to the highest interest rates in twenty years, with continued growth in jobs and consumer spending. Inflation, though, continued to run too hot for the Federal Reserve to cut interest rates, hurting interest-rate sensitive sectors such as housing. Important fiscal safeguards allowed the state to maximize the Budget Reserve Fund and make additional payments to reduce unfunded liability.

In fiscal year 2024, Connecticut recovered all the nonfarm jobs lost in the March to April pandemic lock down period, with total nonfarm jobs at 105.2 percent of pre-pandemic levels in June 2024. The state's labor force grew 1.1 percent over the course of the fiscal year, contributing to employment growth of 12,000 positions (0.7 percent). The unemployment rate peaked at 4.5 percent in February, before declining to 3.9 percent in June. Overall, six industry sectors experienced annual growth and four declined year-over-year. Private Education and Health Services had the largest gain, while the Information sector lost the greatest share of its positions. Connecticut job growth compared to pre-pandemic levels was concentrated in three sectors: Private Education and Health Services; Trade, Transportation and Utilities; and Construction.



The U.S. labor market remained strong, adding a total of 2.5 million net jobs over the year (1.6 percent). Unemployment remained very low, averaging a 3.8 percent rate, with the tight labor market gradually loosening. The nation recovered 100.0 percent of the 22 million jobs lost in March and April of 2020 back in July 2022. All U.S. industry sectors grew over the fiscal year, led by Private Education and Health Services. The Government and Construction sectors also saw notable job gains.

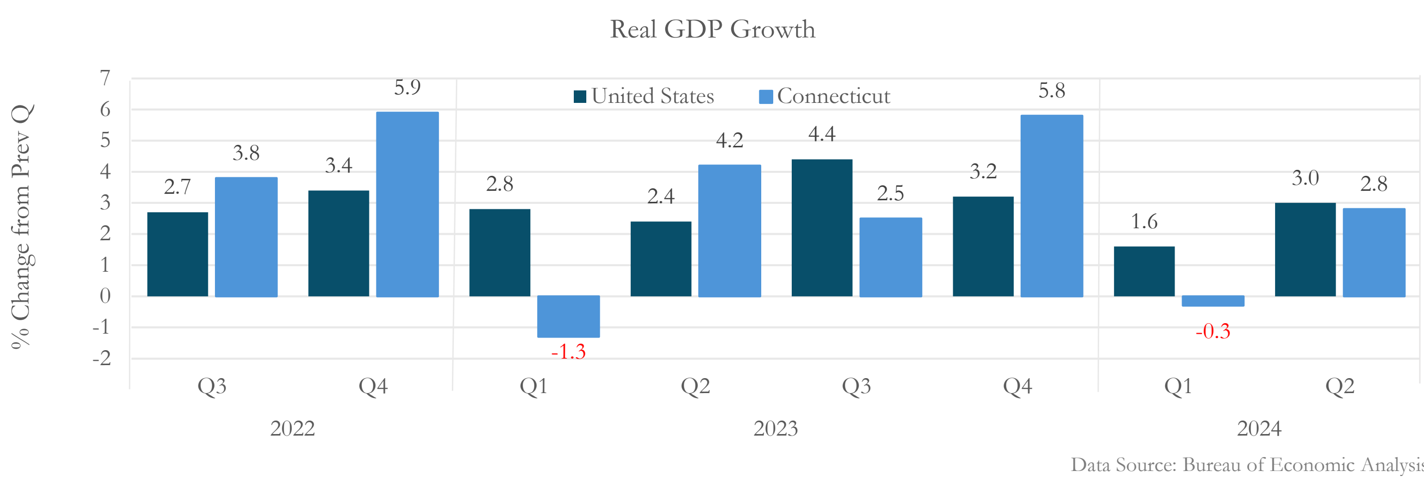


Throughout fiscal year 2024, the Federal Reserve held the federal funds target rate at 5.25-5.5 percent, the highest level since 2007, to try to get inflation down to its target rate (2.0 percent). Despite that, growth in prices for shelter, insurance, and other services proved stubborn, even as inflation on goods cooled. Overall inflation was still at 3.0 percent year-over-year in June according to the Consumer Price Index but has trended lower. Higher interest rates on mortgages, credit card debt, and business loans hit various sectors and consumers, but wage growth outpacing inflation and the strong labor market continued to support the economy.

The S&P 500 Index ended 2024 at 4,769.83, a rise of 24.2 percent for the calendar year, while the tech heavy NASDAQ Composite Index was up a massive 43.4 percent at year end on high hopes for cutting-edge artificial intelligence technology. Strong equity market growth continued in 2024.

The housing market remained challenging for buyers in fiscal year 2024, with median prices up 10.0 percent and sales down 14.0 percent year-over-year in Connecticut, as higher interest rates and the limited supply of homes hurt affordability. Homeowners that had locked in 3.0 percent interest rates from buying or refinancing during the pandemic proved reluctant to trade their mortgages for rates around 7.0 percent, resulting in fewer listings. Nationally, the median sales price reached a record high of $426,900 in June 2024, according to the National Association of Realtors. Rent increases slowed nationally, thanks to a swell of new multifamily rental units coming online. Nonetheless, some locations in Connecticut continued to see 5.0 percent year-over-year increases in the cost of apartments in fiscal year 2024.

All quarters of fiscal year 2024 saw growth in U.S. Gross Domestic Product (GDP), with inflation-adjusted national GDP growth of 3.0 percent between the second quarters of 2023 and 2024. Connecticut's economic growth over the fiscal year was slightly lower at 2.7 percent, with annualized growth of 2.5 percent in the third quarter of 2023, 5.8 percent in the fourth quarter, -0.3 percent in the first quarter of 2024, and 2.8 percent in the final quarter of the fiscal year.



Connecticut has traditionally ranked among the wealthiest states in the nation. The U.S. Bureau of Economic Analysis (BEA) reported that in 2023, Connecticut had a per capita personal income (PCPI) of $89,945. This PCPI ranked second in the United States and was 128.8 percent of the national average of $69,810. The United States 2023 PCPI reflected an increase of 5.4 percent from 2022, while Connecticut's increase was slightly higher at 5.8 percent. Connecticut's income growth in the previous decade was slower than the national average. In 2013, the PCPI of Connecticut was $61,999 and ranked first in the United States. However, the State's 2013-2023 compound annual growth rate of PCPI was 3.8 percent compared with 6.1 percent for the nation.

Connecticut's high level of income and quality of life can be attributed to the educational achievement of its residents, as well as the innovation and productivity of its workforce. According to the U.S. Census Bureau, 42.9 percent of Connecticut's population age 25 and over has a bachelor's degree or higher, compared to 36.2 percent nationally, and 91.7 percent of Connecticut residents are a High School graduate or higher. Connecticut ranked first in college readiness and third for pre-k through 12th grade education according to U.S. News and World Report. Connecticut also has the second-best community college system in the country and second-best overall school system according to WalletHub.

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

- Connecticut ranked fifth in business environment by U.S. News and World Report.
- Connecticut ranked third best state overall in healthcare access, quality, and public health by U.S. News and World Report.
- Connecticut ranked fifth for public safety by U.S. News and World Report.
- Connecticut ranked sixth for lowest crime and incarceration according to U.S. News and World Report.
- Connecticut ranked third for internet access according to U.S. News and World Report.
- Connecticut is home to 44 top colleges and universities.
- Connecticut ranked first in top company headquarters per capita according to U.S. News and World Report.

Connecticut also continues to be a leader in the field of high-tech manufacturing, producing submarines, helicopters, jet engines and parts, electronics, computer equipment and electronic machinery. Much of Connecticut's manufacturing is for the military and the outlook for Connecticut's defense industry remains strong. According to the U.S. Department of Defense (DoD) for federal fiscal year 2023, Connecticut ranked sixth overall in total defense spending, third in defense spending as a percentage of state gross domestic product, and second in defense spending per capita among states. Contracts awarded to Connecticut defense manufacturers reached a new all-time high in fiscal year 2023, totaling $24.3 billion. Electric Boat was the largest recipient of DoD obligations in the state at $10.5 billion, followed by RTX Corporation, which makes the F135 engines for F-35 Joint Strike Fighter jets, at $8.5 billion. Electric Boat is the prime contractor and lead shipyard for all Navy nuclear-powered submarine programs, including the Virginia-class attack submarine and Columbia-class ballistic-missile submarine.

Halfway through fiscal year 2025, Connecticut's economy is on solid footing as the U.S. economy continues to expand. The Federal Reserve began reducing interest rates in September 2024, while unemployment remains low. Connecticut's unemployment rate fell to 3.2 percent in October 2024, its lowest rate in more than 20 years. Consumer spending has proven resilient, and inflation has generally trended downwards. However, there is significant uncertainty ahead related to the anticipated trade and fiscal policies of the next presidential administration. To the extent higher tariffs and larger federal budget deficits occur, inflation could creep up again and prevent the Federal Reserve from reducing interest rates as much as previously planned.

The most recent consensus revenue forecast for fiscal 2025 on January 15 showed revenue projections holding steady from prior projections. However, much of the projected increases to collections compared to the original budget will result in a larger volatility adjustment transfer to the Budget Reserve Fund, rather than additional General Fund revenue. Sales and use tax collections are anticipated to underperform the budget in continuation of fiscal year 2024 trends. Current forecasts show the General Fund is on track to end fiscal year 2025 with a surplus of $443.0 million. This positive fiscal position is a tribute to smart long-term planning, the resilience of Connecticut's people, and the strength of its economy. It remains critical to exercise fiscal restraint, execute responsible long-term planning, and support economic growth to maintain future budget stability.

CONTACTING THE STATE'S OFFICES OF FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

June 30, 2024

(Expressed in Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Current Assets:				
Cash and Cash Equivalents	$ 8,926,669	$ 1,293,422	$ 10,220,091	$ 422,778
Deposits with U.S. Treasury	-	87,215	87,215	-
Investments	133,086	38,189	171,275	727,055
Receivables, (Net of Allowances)	6,013,438	759,769	6,773,207	130,064
Due from Primary Government	-	-	-	6,899
Inventories	66,936	23,775	90,711	-
Restricted Assets	-	238,323	238,323	1,948,297
Leases Recievable	-	2,713	2,713	10,392
Internal Balances	(50,731)	50,731	-	-
Other Current Assets	6,309	31,929	38,238	28,035
Total Current Assets	15,095,707	2,526,066	17,621,773	3,273,520
Noncurrent Assets:				
Cash and Cash Equivalents	-	709,876	709,876	-
Due From Component Units	76,265	-	76,265	-
Investments	-	51,640	51,640	268,449
Receivables, (Net of Allowances)	939,982	1,022,332	1,962,314	543,896
Restricted Assets	1,368,157	209,429	1,577,586	5,237,971
Capital Assets, (Net of Accumulated Depreciation)	18,547,834	5,543,251	24,091,085	1,332,680
Other Noncurrent Assets	10	25,391	25,401	22,079
Total Noncurrent Assets	20,932,248	7,561,919	28,494,167	7,405,075
Total Assets	$ 36,027,955	$ 10,087,985	$ 46,115,940	$ 10,678,595
Deferred Outflows of Resources				
Accumulated Decrease in Fair Value of Hedging Derivatives	$ -	$ -	$ -	$ -
Unamortized Losses on Bond Refundings	92,380	2,381	94,761	53,902
Related to Pensions & Other Postemployment Benefits	12,532,074	-	12,532,074	111,262
Other Deferred Outflows	-	3,900	3,900	1,867
Total Deferred Outflows of Resources	$ 12,624,454	$ 6,281	$ 12,630,735	$ 167,031
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	$ 2,075,794	$ 374,915	$ 2,450,709	$ 343,107
Due to Other Funds	-	-	-	-
Due to Component Units	6,899	-	6,899	-
Due to Primary Government	-	-	-	76,265
Due to Other Governments	351,371	767	352,138	-
Due to Trustee	-	-	-	-
Current Portion of Lease Liabilities	15,399	13,899	29,298	713
Current Portion of Subscription Liabilities	13,914	21,735	35,649	647
Current Portion of Long-Term Obligations	2,485,867	180,855	2,666,722	527,913
Amount Held for Institutions	-	-	-	368,202
Unearned Revenue	69,655	70,240	139,895	15,551
Medicaid Liability	909,931	-	909,931	-
Liability for Escheated Property	586,123	-	586,123	-
Other Current Liabilities	81,436	111,554	192,990	37,192
Total Current Liabilities	6,596,389	773,965	7,370,354	1,369,590
Noncurrent Liabilities:				
Non-Current Portion of Lease Liabilities	43,072	193,587	236,659	22,104
Non-Current Portion of Subscription Liabilities	16,777	31,204	47,981	323
Non-Current Portion of Long-Term Obligations	81,632,887	1,566,236	83,199,123	5,676,220
Total Noncurrent Liabilities	81,692,736	1,791,027	83,483,763	5,698,647
Total Liabilities	$ 88,289,125	$ 2,564,992	$ 90,854,117	$ 7,068,237

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

State of Connecticut

STATEMENT OF NET POSITION (Continued)

June 30, 2024

(Expressed in Thousands)

Deferred Inflows of Resources				
Related to Pensions & Other Postemployment Benefits	$ 7,335,422	$ -	$ 7,335,422	$ 169,270
Deferred Inflows Leases	-	6,509	6,509	162,583
Other Deferred Inflows	-	-	-	171,779
Total Deferred Inflows of Resources	$ 7,335,422	$ 6,509	$ 7,341,931	$ 503,632
Net Position				
Net Investment in Capital Assets	$ 7,124,511	$ 3,254,894	$ 10,379,405	$ 911,215
Restricted For:				
Transportation	1,009,003	-	1,009,003	-
Debt Service	1,370,233	1,207,022	2,577,255	14,931
Federal Grants and Other Accounts	2,458,181	-	2,458,181	-
Capital Projects	230,664	55,561	286,225	95,036
Grant and Loan Programs	559,675	-	559,675	-
Clean Water and Drinking Water Projects	-	879,362	879,362	-
Bond Indenture Requirements	-	-	-	780,071
Loans	-	2,273	2,273	-
Permanent Investments or Endowments:				
Expendable	-	-	-	15,671
Nonexpendable	137,492	16,996	154,488	807,182
Other Purposes	77,640	79,631	157,271	247,047
Unrestricted (Deficit)	(59,939,537)	2,027,026	(57,912,511)	402,604
Total Net Position (Deficit)	$ (46,972,138)	$ 7,522,765	$ (39,449,373)	$ 3,273,757

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

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2024

(Expressed in Thousands)

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
Functions/Programs	Expenses	Charges for Services, Fees, Fines, and Other	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Units
Primary Government								
Governmental Activities:								
Legislative	$ 126,982	$ 4,123	$ -	$ -	$ (122,859)	$ -	$ (122,859)	$ -
General Government	3,664,597	505,225	(836,687)	-	(3,996,059)	-	(3,996,059)	-
Regulation and Protection	1,183,235	763,993	407,595	-	(11,647)	-	(11,647)	-
Conservation and Development	1,350,284	353,563	529,605	-	(467,116)	-	(467,116)	-
Health and Hospitals	3,348,381	203,984	312,477	-	(2,831,920)	-	(2,831,920)	-
Transportation	3,035,747	135,109	-	1,272,144	(1,628,494)	-	(1,628,494)	-
Human Services	11,368,256	126,749	8,347,427	-	(2,894,080)	-	(2,894,080)	-
Education, Libraries, and Museums	7,109,721	99,719	1,531,560	-	(5,478,442)	-	(5,478,442)	-
Corrections	2,345,118	23,001	257,253	-	(2,064,863)	-	(2,064,863)	-
Judicial	1,175,215	133,811	20,858	-	(1,020,546)	-	(1,020,546)	-
Interest and Fiscal Charges	964,405	-	-	-	(964,405)	-	(964,405)	-
Total Governmental Activities	35,671,941	2,349,278	10,570,088	1,272,144	(21,480,431)	-	(21,480,431)	-
Business-Type Activities:								
University of Connecticut & Health Center	2,923,706	2,116,045	358,409	53,632	-	(395,620)	(395,620)	-
Board of Regents	1,267,711	752,108	91,126	-	-	(424,477)	(424,477)	-
Employment Security	891,975	662,353	281,002	-	-	51,380	51,380	-
Clean Water	37,784	27,786	21,784	-	-	11,786	11,786	-
Other	49,394	34,132	20,775	-	-	5,513	5,513	-
Total Business-Type Activities	5,170,570	3,592,424	773,096	53,632	-	(751,418)	(751,418)	-
Total Primary Government	$ 40,842,511	$ 5,941,702	$ 11,343,184	$ 1,325,776	$ (21,480,431)	$ (751,418)	$ (22,231,849)	$ -
Component Units								
Connecticut Housing Finance Authority (12/31/2023)	$ 235,440	$ 128,963	$ -	$ -	$ -	$ -	$ -	$ (106,477)
Connecticut Lottery Corporation	1,680,757	1,680,937	-	-	-	-	-	180
Connecticut Airport Authority	138,612	151,731	-	42,466	-	-	-	55,585
Other Component Units	275,568	264,939	28,574	43,875	-	-	-	61,820
Total Component Units	$ 2,330,377	$ 2,226,570	$ 28,574	$ 86,341	$ -	$ -	$ -	$ 11,108
General Revenues:								
Taxes:								
Personal Income					9,660,842	-	9,660,842	-
Corporate Income					3,390,379	-	3,390,379	-
Sales and Use					5,792,285	-	5,792,285	-
Other					2,549,956	-	2,549,956	-
Restricted for Transportation Purposes:								
Motor Fuel					961,088	-	961,088	-
Other					913,722	-	913,722	-
Casino Gaming Payments					305,655	-	305,655	-
Tobacco Settlement					111,190	-	111,190	-
Lottery Tickets					375,995	-	375,995	-
Sports Wagering					4,124	-	4,124	-
Unrestricted Investment Earnings					571,987	110,589	682,576	293,633
Transfers Out Fiduciary Funds					(412,409)	-	(412,409)	-
Transfers-Internal Activities					(1,130,140)	1,130,140	-	400
Total General Revenues, Contributions, and Transfers					23,094,674	1,240,729	24,335,403	294,033
Change in Net Position					1,614,243	489,311	2,103,554	305,141
Net Position (Deficit)- Beginning*					(48,586,381)	7,033,454	(41,552,927)	2,968,616
Net Position (Deficit)- Ending					$ (46,972,138)	$ 7,522,765	$ (39,449,373)	$ 3,273,757

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

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2024

(Expressed in Thousands)

	General	Debt Service	Transportation	Restricted Grants & Accounts	Grant & Loan Programs	Other Funds	Total Governmental Funds
Assets							
Cash and Cash Equivalents	$ 4,755,128	$ 2,076	$ 871,151	$ 2,143,084	$ 394,921	$ 742,607	$ 8,908,967
Investments	-	-	-	-	-	133,086	133,086
Securities Lending Collateral	-	-	-	-	-	5,938	5,938
Receivables:							
Taxes, Net of Allowances	3,780,329	-	288,427	-	-	-	4,068,756
Accounts, Net of Allowances	499,514	-	89,572	530,970	9,590	126,364	1,256,010
Loans, Net of Allowances	3,413	-	-	69,842	172,810	693,917	939,982
Due From Other Governments	105,152	-	-	563,640	-	10,964	679,756
Due from Other Funds	67,277	-	7,225	-	-	27,591	102,093
Due from Component Units	70,256	-	-	-	-	6,009	76,265
Interest Receivable	-	7,225	1,221	-	-	7	8,453
Other Receivables	-	-	-	-	-	-	-
Inventories	24,221	-	36,381	-	-	-	60,602
Restricted Assets	-	1,368,157	-	-	-	-	1,368,157
Total Assets	$ 9,305,290	$ 1,377,458	$ 1,293,977	$ 3,307,536	$ 577,321	$ 1,746,483	$ 17,608,065
Liabilities, Deferred Inflows, and Fund Balances							
Liabilities							
Accounts Payable and Accrued Liabilities	$ 394,261	$ -	$ 33,650	$ 257,136	$ 17,239	$ 119,442	$ 821,728
Due to Other Funds	967,145	7,225	-	3,587	23	77,753	1,055,733
Due to Component Units	13	-	-	6,886	-	-	6,899
Due to Other Governments	346,868	-	-	4,503	-	-	351,371
Unearned Revenue	54,699	-	-	-	-	14,956	69,655
Medicaid Liability	374,353	-	-	535,578	-	-	909,931
Liability For Escheated Property	586,123	-	-	-	-	-	586,123
Securities Lending Obligation	-	-	-	-	-	5,938	5,938
Other Liabilities	66,099	-	-	9,399	-	-	75,498
Total Liabilities	2,789,561	7,225	33,650	817,089	17,262	218,089	3,882,876
Deferred Inflows of Resources							
Receivables to be Collected in Future Periods	2,473,621	-	83,078	502,004	9,246	41,506	3,109,455
Fund Balances							
Nonspendable:							
Inventories/Long-Term Receivables	97,145	-	36,381	-	-	-	133,526
Permanent Fund Principal	-	-	-	-	-	133,087	133,087
Restricted For:							
Debt Service	-	1,370,233	-	-	-	-	1,370,233
Transportation Programs	-	-	984,799	-	-	-	984,799
Federal Grant and State Programs	-	-	-	1,988,443	-	-	1,988,443
Grants and Loans	-	-	-	-	550,023	-	550,023
Other	-	-	-	-	-	1,289,434	1,289,434
Committed For:							
Continuing Appropriations	511,973	-	156,069	-	-	-	668,042
Budget Reserve Fund	4,105,054	-	-	-	-	-	4,105,054
Reserve Future Carry	213,400	-	-	-	-	-	213,400
Assigned To:							
Surplus Transfer to Next Fiscal Year	205,000	-	-	-	-	-	205,000
Grants and Loans	-	-	-	-	790	-	790
Other	-	-	-	-	-	65,085	65,085
Unassigned (Deficit)	(1,090,464)	-	-	-	-	(718)	(1,091,182)
Total Fund Balances	4,042,108	1,370,233	1,177,249	1,988,443	550,813	1,486,888	10,615,734
Total Liabilities, Deferred Inflows, and Fund Balances	$ 9,305,290	$ 1,377,458	$ 1,293,977	$ 3,307,536	$ 577,321	$ 1,746,483	$ 17,608,065

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

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

June 30, 2024

(Expressed in Thousands)

Total Fund Balance - Governmental Funds		$	10,615,734
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (see Note 9). These consist of:			
Right-to-use assets	150,761		
Cost of capital assets, (excluding internal service funds)	37,850,579		
Less: Accumulated depreciation (excluding internal service funds)	(19,451,854)		
Less: Accumulated amortization right-to-use assets	(63,710)		
Net capital assets			18,485,776
Some assets such as receivables, are not available soon enough to pay for current period's expenditures and thus, are offset by unavailable revenue in the governmental funds.			3,109,455
Deferred losses on refundings are reported in the Statement of Net Position (to be amortized as interest expense) but are not reported in the funds.			92,380
Deferred outflows for pensions and OPEB are reported in the Statement of Net Position but are not reported in the funds (see Note 10 & 13).			12,532,074
Long-term debt instruments such as bonds and notes payable, are not due and payable in the current period and, therefore, the outstanding balances are not reported in the funds (see Note 16). Also, unamortized debt premiums and interest payable are reported in the Statement of Net Position but are not reported in the funds. These balances consist of:			
General obligation bonds payable	(16,931,681)		
Transportation bonds payable	(7,860,010)		
Direct Borrowings & Direct Placements	(231,055)		
Unamortized premiums	(2,497,067)		
Accrued interest payable	(323,167)		
Net long-term debt			(27,842,980)
Other liabilities not due and payable in the current period and, therefore, not reported in the funds (see Note 16).			
Net pension liability	(37,849,287)		
Net OPEB liability	(16,972,678)		
Obligations for worker's compensation	(806,619)		
Leases	(58,471)		
Subscriptions	(30,691)		
Compensated absences (excluding internal service funds)	(576,590)		
Claims and judgments payable	(32,319)		
Landfill postclosure care	(22,303)		
Nonexchange Financial guarantee	(337,380)		
Total other liabilities			(56,686,338)
Deferred inflows for pensions and OPEB are reported in the Statement of Net Position but are not reported in the funds (see Note 10 & 13).			
Pension and OPEB related			(7,335,422)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.			57,183
Total Net Position - Governmental Activities		$	(46,972,138)

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

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

For the Fiscal Year Ended June 30, 2024

(Expressed in Thousands)

	General	Debt Service	Transportation	Restricted Grants & Accounts	Grant & Loan Programs	Other Funds	Total Governmental Funds
Revenues							
Taxes	$ 20,691,384	$ -	$ 1,875,721	$ -	$ -	$ 456,369	$ 23,023,474
Licenses, Permits, and Fees	315,662	-	350,635	8,774	-	101,547	776,618
Tobacco Settlement	-	-	-	-	-	111,190	111,190
Federal Grants and Aid	2,750,298	-	9,321	9,007,326	-	67,666	11,834,611
Assessments	-	-	-	-	-	-	-
State Grants	-	-	-	7,622	-	-	7,622
Lottery Tickets	375,995	-	-	-	-	-	375,995
Charges for Services	18,651	-	56,596	12	-	1,206	76,465
Fines, Forfeits, and Rents	150,690	-	22,328	190	-	16	173,224
Casino Gaming Payments	305,655	-	-	-	-	-	305,655
Investment Earnings	293,314	59,167	39,841	144,411	5,583	29,671	571,987
Interest on Loans	-	-	-	-	-	-	-
Sports Wagering	-	-	-	-	-	4,124	4,124
Miscellaneous	183,011	-	19,760	740,455	32,315	158,536	1,134,077
Total Revenues	25,084,660	59,167	2,374,202	9,908,790	37,898	930,325	38,395,042
Expenditures							
Current:							
Legislative	148,698	-	-	2,708	-	-	151,406
General Government	2,132,185	-	35,745	300,407	675,312	735,381	3,879,030
Regulation and Protection	583,423	-	82,757	405,304	13,064	179,698	1,264,246
Conservation and Development	280,218	-	5,275	617,912	361,589	104,642	1,369,636
Health and Hospitals	2,913,637	-	-	404,198	14,572	56,133	3,388,540
Transportation	-	-	1,111,228	1,234,092	3,677	-	2,348,997
Human Services	5,810,175	-	-	5,635,223	-	1,706	11,447,104
Education, Libraries, and Museums	5,481,516	-	-	1,661,946	7,522	4,144	7,155,128
Corrections	2,361,037	-	-	69,950	2,441	1,898	2,435,326
Judicial	1,119,883	-	-	54,081	-	59,477	1,233,441
Capital Projects	-	-	-	-	-	1,324,741	1,324,741
Debt Service:							
Principal Retirement	1,718,829	442,665	-	-	-	-	2,161,494
Interest and Fiscal Charges	1,039,065	360,356	219	94,652	2,457	6,583	1,503,332
Total Expenditures	23,588,666	803,021	1,235,224	10,480,473	1,080,634	2,474,403	39,662,421
Excess (Deficiency) of Revenues Over Expenditures	1,495,994	(743,854)	1,138,978	(571,683)	(1,042,736)	(1,544,078)	(1,267,379)
Other Financing Sources (Uses)							
Bonds Issued (Retired)	-	-	-	-	683,820	1,515,720	2,199,540
Premiums (Discounts) on Bonds Issued	-	22,057	-	-	69,992	99,054	191,103
Transfers In	1,449,864	913,032	88,538	98,427	-	208,544	2,758,405
Transfers Out	(2,549,968)	(60,299)	(868,250)	(68)	(67,535)	(1,024,432)	(4,570,552)
Refunding Bonds Issued	-	349,005	-	-	-	-	349,005
Payment to Refunded Bond Escrow Agent	-	(373,213)	-	-	-	-	(373,213)
Total Other Financing Sources (Uses)	(1,100,104)	850,582	(779,712)	98,359	686,277	798,886	554,288
Net Change in Fund Balances	395,890	106,728	359,266	(473,324)	(356,459)	(745,192)	(713,091)
Fund Balances - Beginning	3,648,301	1,263,505	816,322	2,461,767	907,272	2,232,080	11,329,247
Change in Reserve for Inventories	(2,083)	-	1,661	-	-	-	(422)
Fund Balances - Ending	$ 4,042,108	$ 1,370,233	$ 1,177,249	$ 1,988,443	$ 550,813	$ 1,486,888	$ 10,615,734

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

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

For the Fiscal Year Ended June 30, 2024

(Expressed in Thousands)

Net change in fund balances - total governmental funds		$ (713,513)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Long-term debt proceeds provide current financial resources to governmental funds, while the repayment of the related debt principal consumes those financial resources. These transactions, however, have no effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities In the current period, these amounts consist of		
Debt issued or incurred:		
Bonds issued	(2,199,540)	
Refunding bonds issued	(349,005)	
Premium on bonds issued	(191,103)	
Principal repayment:		
Principal Retirement	2,161,494	
Payments to refunded bond escrow agent	373,213	
Interset and Fiscal Charges	278,970	
Net debt adjustments		74,029
Some capital assets acquired this year were financed with leases. The amount financed by leases is reported in the governmental funds as a source of financing, but lease obligations are reported as long-term liabilities on the Statement of Activities		(537)
Capital outlays are reported as expenditures in the governmental funds. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts and other reductions were as follows:		
Capital outlays (including construction-in-progress)	1,841,479	
Depreciation/Amortization expense (excluding internal service funds)	(729,473)	
Net capital outlay adjustments		1,112,006
Inventories are reported as expenditures in the governmental funds when purchased. However, in the Statement of Activities the cost of these assets is recognized when those assets are consumed. This is the amount by which purchases exceeded consumption of inventories.		(422)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not recognized in the funds. In the current period, the net adjustments consist of:		
Increase in accrued interest	(24,817)	
Amortization of bond premium	259,957	
Amortization of loss on debt refunding's	(30,009)	
Decrease in Net OPEB Liability & Net pension liability	2,436,871	
Decrease in net deferred inflows related to OPEB & pensions	1,781,728	
Decrease in net deferred outflows related to OPEB & pensions	(4,030,780)	
Decrease in compensated absences	(16,476)	
Decrease in workers' compensation	9,902	
Increase in claims and judgments	6,346	
Decrease in landfill post closure cost	2,415	
Decrease in lease liability	6,447	
Decrease in subscription liability	134	
Decrease in non-exchange financial guarantees	33,840	
Net expense accruals		435,558
Some revenues in the Statement of Activities do not provide current financial resources and, therefore, are deferred inflows of resources in the funds. Also, revenues related to prior periods that became available during the current period are reported in the funds but are eliminated in the Statement of Activities. This amount is the net adjustment.		703,711
Internal service funds are used by management to charge the costs of certain activities, to individual funds. The net revenues (expenses) of internal service funds are included with governmental activities in the Statement of Activities.		3,411
Change in net position - governmental activities		$ 1,614,243

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2024
(Expressed in Thousands)

	Business-Type Activities						Governmental
	Enterprise Funds						Activities
	University of Connecticut & Health Center	Board of Regents	Employment Security	Clean Water	Other Funds	Total	Internal Service Funds
Assets							
Current Assets:							
Cash and Cash Equivalents	$ 665,235	$ 567,531	$ 2,455	$ -	$ 58,201	$ 1,293,422	$ 17,702
Deposits with U.S. Treasury	-	-	87,215	-	-	87,215	-
Investments	533	37,656	-	-	-	38,189	-
Receivables:							
Accounts, Net of Allowances	222,046	58,872	211,062	7,869	6,107	505,956	463
Loans, Net of Allowances	1,155	-	-	190,240	27,765	219,160	-
Leases	2,358	355	-	-	-	2,713	-
Interest	-	-	-	4,901	287	5,188	-
Due from Other Governments	-	5,241	11,003	-	13,221	29,465	-
Due from Other Funds	6,373	85,419	2,171	-	-	93,963	8,581
Inventories	23,775	-	-	-	-	23,775	6,334
Restricted Assets	238,323	-	-	-	-	238,323	-
Other Current Assets	22,580	9,348	-	-	1	31,929	371
Total Current Assets	1,182,378	764,422	313,906	203,010	105,582	2,569,298	33,451
Noncurrent Assets:							
Cash and Cash Equivalents	-	213,972	-	400,018	95,886	709,876	-
Investments	21,898	29,742	-	-	-	51,640	-
Receivables:							
Loans, Net of Allowances	1,910	3,919	-	820,373	192,771	1,018,973	-
Leases	1,897	1,462	-	-	-	3,359	-
Restricted Assets	1,013	-	-	163,535	44,881	209,429	-
Capital Assets, Net of Accumulated Depreciation	3,622,067	1,921,184	-	-	-	5,543,251	62,058
Other Noncurrent Assets	25,370	21	-	-	-	25,391	10
Total Noncurrent Assets	3,674,155	2,170,300	-	1,383,926	333,538	7,561,919	62,068
Total Assets	$ 4,856,533	$ 2,934,722	$ 313,906	$ 1,586,936	$ 439,120	$ 10,131,217	$ 95,519
Deferred Outflows of Resources							
Unamortized Losses on Bond Refundings	$ -	$ -	$ -	$ 2,321	$ 60	$ 2,381	$ -
Other Deferred Outflows	117	3,783	-	-	-	3,900	-
Total Deferred Outflows of Resources	$ 117	$ 3,783	$ -	$ 2,321	$ 60	$ 6,281	$ -
Liabilities							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	$ 255,815	$ 105,216	$ -	$ 7,459	$ 6,425	$ 374,915	$ 629
Due to Other Funds	24,200	347	310	7,895	10,480	43,232	35,942
Due to Other Governments	729	-	38	-	-	767	-
Current Portion of Long-Term Obligations	80,706	48,578	-	43,040	8,531	180,855	64
Lease Liabilities, Current Portion	11,733	2,166	-	-	-	13,899	-
Subscription Liabilities, Current Portion	13,286	8,449	-	-	-	21,735	-
Unearned Revenue	-	70,240	-	-	-	70,240	-
Other Current Liabilities	99,355	12,199	-	-	-	111,554	-
Total Current Liabilities	485,824	247,195	348	58,394	25,436	817,197	36,635
Noncurrent Liabilities:							
Lease Liabilities, Net of Current Portion	186,841	6,746	-	-	-	193,587	-
Subscription Liabilities, Net of Current Portion	17,532	13,672	-	-	-	31,204	-
Noncurrent Portion of Long-Term Obligations	500,371	354,554	-	587,674	123,637	1,566,236	1,701
Total Noncurrent Liabilities	704,744	374,972	-	587,674	123,637	1,791,027	1,701
Total Liabilities	$ 1,190,568	$ 622,167	$ 348	$ 646,068	$ 149,073	$ 2,608,224	$ 38,336
Deferred Inflows of Resources							
Other Deferred Inflows	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Deferred Inflows-Leases	4,075	2,434	-	-	-	6,509	-
Total Deferred Inflows of Resources	$ 4,075	$ 2,434	$ -	$ -	$ -	$ 6,509	$ -
Net Position (Deficit)							
Net Investment in Capital Assets	$ 1,633,293	$ 1,621,601	$ -	$ -	$ -	$ 3,254,894	$ 62,069
Restricted For:							
Debt Service	1,207,022	-	-	-	-	1,207,022	-
Clean and Drinking Water Projects	-	-	-	681,095	198,267	879,362	-
Capital Projects	55,561	-	-	-	-	55,561	-
Nonexpendable Purposes	16,434	562	-	-	-	16,996	-
Loans	2,273	-	-	-	-	2,273	-
Other Purposes	37,962	41,669	-	-	-	79,631	-
Unrestricted (Deficit)	709,462	650,072	313,558	262,094	91,840	2,027,026	(4,886)
Total Net Position	$ 3,662,007	$ 2,313,904	$ 313,558	$ 943,189	$ 290,107	$ 7,522,765	$ 57,183

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

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

For the Fiscal Year Ended June 30, 2024

(Expressed in Thousands)

	Business-Type Activities						Governmental
	Enterprise Funds						Activities
	University of Connecticut & Health Center	Board of Regents	Employment Security	Clean Water	Other Funds	Totals	Internal Service Funds
Operating Revenues							
Charges for Sales and Services (Net of allowances & discounts $348,242)	$ 1,701,647	$ 431,182	$ -	$ -	$ -	$ 2,132,829	$ 60,681
Assessments	-	-	656,338	-	27,865	684,203	-
Federal Grants, Contracts, and Other Aid	280,136	47,767	265,187	-	-	593,090	-
State Grants, Contracts, and Other Aid	25,880	33,046	15,815	-	-	74,741	-
Private Gifts and Grants	52,393	10,313	-	-	-	62,706	-
Interest on Loans	-	-	-	20,367	4,152	24,519	-
Lease Revenue	2,409	-	-	-	-	2,409	-
Other	228,972	15,058	6,015	-	675	250,720	381
Total Operating Revenues	2,291,437	537,366	943,355	20,367	32,692	3,825,217	61,062
Operating Expenses							
Salaries, Wages, and Administrative	2,678,644	1,125,272	272,593	2,183	15,339	4,094,031	39,030
Unemployment Compensation	-	-	618,182	-	-	618,182	-
Claims Paid	-	-	-	-	17,103	17,103	-
Depreciation and Amortization	233,777	116,462	-	-	-	350,239	20,174
Other	-	25,977	-	6,767	11,276	44,020	-
Total Operating Expenses	2,912,421	1,267,711	890,775	8,950	43,718	5,123,575	59,204
Operating Income (Loss)	(620,984)	(730,345)	52,580	11,417	(11,026)	(1,298,358)	1,858
Nonoperating Revenue (Expenses)							
Interest and Investment Income	39,211	30,161	-	30,197	11,020	110,589	-
Interest and Fiscal Charges	(11,285)	14,835	(1,200)	(28,834)	(5,676)	(32,160)	-
Other - Net	183,017	291,033	-	7,419	1,440	482,909	1,821
Total Nonoperating Revenues (Expenses)	210,943	336,029	(1,200)	8,782	6,784	561,338	1,821
Income (Loss) Before Capital Contributions, Grants, and Transfers	(410,041)	(394,316)	51,380	20,199	(4,242)	(737,020)	3,679
Capital Contributions	53,632	-	-	-	-	53,632	-
Federal Capitalization Grants	-	-	-	21,784	20,775	42,559	-
Transfers In	638,065	498,394	-	3,035	-	1,139,494	-
Transfers Out	-	-	(9,154)	-	(200)	(9,354)	(268)
Change in Net Position	281,656	104,078	42,226	45,018	16,333	489,311	3,411
Total Net Position (Deficit) - Beginning	3,380,351	2,209,826	271,332	898,171	273,774	7,033,454	53,772
Total Net Position (Deficit) - Ending	$ 3,662,007	$ 2,313,904	$ 313,558	$ 943,189	$ 290,107	$ 7,522,765	$ 57,183

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2024
(Expressed in Thousands)

	Business-Type Activities						Governmental
	Enterprise Funds						Activities
	University of Connecticut & Health Center	Board of Regents	Employment Security	Clean Water	Other	Totals	Internal Service Funds
Cash Flows from Operating Activities							
Receipts from Customers	$ 1,908,239	$ 432,067	$ 588,532	$ 94,582	$ 46,115	$ 3,069,535	$ 57,527
Payments to Suppliers	(1,426,985)	(369,679)	-	(6,767)	(11,418)	(1,814,849)	(14,965)
Payments to Employees	(1,241,164)	(810,857)	-	(737)	(13,386)	(2,066,144)	(13,498)
Other Receipts (Payments)	311,001	115,092	(580,511)	(57,575)	(34,144)	(246,137)	726
Net Cash Provided by (Used in) Operating Activities	(448,909)	(633,377)	8,021	29,503	(12,833)	(1,057,595)	29,790
Cash Flows from Noncapital Financing Activities							
Proceeds from Sale of Bonds	-	-	-	-	-	-	-
Retirement of Bonds and Annuities Payable	(36,158)	-	-	(43,875)	(8,005)	(88,038)	-
Interest on Bonds and Annuities Payable	(17,992)	-	-	(28,527)	(5,765)	(52,284)	-
Transfers In	410,272	471,517	-	10,930	(200)	892,519	-
Transfers Out	-	-	(9,154)	-	-	(9,154)	-
Other Receipts (Payments)	301,047	277,696	-	-	-	578,743	1,821
Net Cash Flows from Noncapital Financing Activities	657,169	749,213	(9,154)	(61,472)	(13,970)	1,321,786	1,821
Cash Flows from Capital and Related Financing Activities							
Additions to Property, Plant, and Equipment	(411,399)	(84,556)	-	-	-	(495,955)	(28,811)
Proceeds from Capital Debt	332,096	66,073	-	-	-	398,169	-
Principal Paid on Capital Debt	(120,804)	(35,073)	-	-	-	(155,877)	-
Interest Paid on Capital Debt	(84,191)	(9,071)	-	-	-	(93,262)	-
Transfer In	155,854	-	-	-	-	155,854	-
Federal Capitalization Grants	-	-	-	13,914	9,905	23,819	-
Lease Revenue	3,787	-	-	-	-	3,787	-
Payments on leases, net	-	-	-	-	-	-	-
Transfer from State	-	-	-	-	-	-	-
Other Receipts (Payments)	78,469	-	-	-	-	78,469	-
Net Cash Flows from Capital and Related Financing Activities	(46,188)	(62,627)	-	13,914	9,905	(84,996)	(28,811)
Cash Flows from Investing Activities							
Proceeds from Sales and Maturities of Investments	147	43,273	-	-	-	43,420	-
Purchase of Investment Securities	37,295	(30,731)	-	-	-	6,564	-
Interest on Investments	-	43,652	1,795	30,271	11,022	86,740	-
(Increase) Decrease in Restricted Assets	-	-	-	(26,212)	-	(26,212)	-
Other Receipts (Payments)	157,968	-	-	8,737	8,131	174,836	-
Net Cash Flows from Investing Activities	195,410	56,194	1,795	12,796	19,153	285,348	-
Net Increase (Decrease) in Cash and Cash Equivalents	357,482	109,403	662	(5,259)	2,255	464,543	2,800
Cash and Cash Equivalents - Beginning of Year	547,089	672,100	1,793	5,259	55,946	1,282,187	14,902
Cash and Cash Equivalents - End of Year	$ 904,571	$ 781,503	$ 2,455	$ -	$ 58,201	$ 1,746,730	$ 17,702
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities							
Operating Income (Loss)	$ (620,984)	$ (730,345)	$ 52,580	$ 11,417	$ (11,026)	$ (1,298,358)	$ 1,858
Adjustments not Affecting Cash:							
Depreciation and Amortization	254,777	108,941	-	-	-	363,718	20,174
Other	5,709	7,662	(2,993)	-	-	10,378	-
Change in Assets and Liabilities:							
(Increase) Decrease in Receivables, Net	(31,408)	11,912	(37,035)	18,086	(11,103)	(49,548)	(145)
(Increase) Decrease in Due from Other Funds	6,784	6	(196)	-	-	6,594	(3,009)
(Increase) Decrease in Inventories and Other Assets	4,699	(1,048)	-	-	(1)	3,650	345
Increase (Decrease) in Accounts Payables & Accrued Liabilities	(13,031)	(31,602)	-	-	9,297	(35,336)	10,567
Increase (Decrease) in Due to Other Funds	(14,460)	1,097	(4,335)	-	-	(17,698)	-
Increase (Decrease) Deferred Inflows Leases	(40,995)	-	-	-	-	(40,995)	-
Total Adjustments	172,075	96,968	(44,559)	18,086	(1,807)	240,763	27,932
Net Cash Provided by (Used In) Operating Activities	$ (448,909)	$ (633,377)	$ 8,021	$ 29,503	$ (12,833)	$ (1,057,595)	$ 29,790

	University of Connecticut & Health Center	Board of Regents
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets		
Cash and Cash Equivalents - Current	$ 665,235	$ 567,531
Cash and Cash Equivalents - Noncurrent	-	213,972
Cash and Cash Equivalents - Current Restricted	238,323	-
Cash and Cash Equivalents - Noncurrent Restricted	1,013	-
	$ 904,571	$ 781,503
Noncash Investing, Capital, and Financing Activities:		
Proceeds from refunding bonds	140,820	-
Amortization of premiums, discounts, and net loss on debt refunding's	24,822	-
Acquisition of right-to-use lease and subscription assets	52,768	-
Acquisiton of equipment under install purchase agreement	-	4,497
Capital assets acquired through gifts	2,926	-
Unrealized gain (loss) on investment	2,300	-
Loss on disposal of capital assets	(4,704)	-
Mortgage proceeds held by Trustee in construction escrow account	-	-
Funds held in escrow	-	-
Change in endowment	-	-

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2024

(Expressed in Thousands)

	Pension & Other Employee Benefit Trust Funds	Investment Trust Fund External Investment Pool	Private-Purpose Trust Fund Escheat Securities	Private-Purpose Trust Fund Baby Bonds	Fiduciary Component Unit Paid Family Medical Leave Authority	Custodial Funds	Total
Assets							
Current:							
Cash and Cash Equivalents	$ 519,792	$ -	$ -	$ 8,612	$ 578,909	$ 464,580	$ 1,571,893
Receivables:							
Accounts, Net of Allowances	49,859	-	-	-	120,299	2,971	173,129
Due from Other Governments	24	-	-	-	267	-	291
Due from Other Funds	935,341	-	-	-	-	-	935,341
Interest	3,442	21,832	-	-	-	1,248	26,522
Inventories	-	-	-	-	-	-	-
Investments (See Note 3)	56,348,038	4,037,901	-	391,685	-	-	60,777,624
Securities Lending Collateral	5,740,907	-	-	-	-	-	5,740,907
Other Assets	-	108	-	-	368	321,338	321,814
Noncurrent:							
Due From Employers	9,797	-	-	-	-	-	9,797
Capital Assets, Net of Accumulated Depreciation	-	-	-	-	2,419	-	2,419
Other Assets	-	-	8,317	-	-	-	8,317
Total Assets	$ 63,607,200	$ 4,059,841	$ 8,317	$ 400,297	$ 702,262	$ 790,137	$ 69,568,054
Deferred Outflows of Resources							
Related to Pensions & Other Postemployment Benefits	$ -	$ -	$ -	$ -	$ 23,055	$ -	$ 23,055
Total Deferred Outflows of Resources	$ -	$ -	$ -	$ -	$ 23,055	$ -	$ 23,055
Liabilities							
Accounts Payable and Accrued Liabilities	$ 23,055	$ 17,834	$ -	$ -	$ 69,628	$ -	$ 110,517
Securities Lending Obligation	5,740,907	-	-	-	-	-	5,740,907
Compensated Absences	-	-	-	-	795	-	795
Due to Other Funds	2,262	-	-	-	-	-	2,262
Other Current Liabilities	-	-	-	-	1,602	-	1,602
Total Current Liabilities	5,766,224	17,834	-	-	72,025	-	5,856,083
Noncurrent Liabilities:							
Pension & OPEB Liability	-	-	-	-	25,071	-	25,071
Noncurrent Portion of Long-Term Obligations	-	-	-	-	11,214	-	11,214
Other Noncurrent Liabilities	-	-	-	-	-	-	-
Total Noncurrent Liabilities	-	-	-	-	36,285	-	36,285
Total Liabilities	$ 5,766,224	$ 17,834	$ -	$ -	$ 108,310	$ -	$ 5,892,368
Other Deferred Inflows							
Related to Pensions & Other Postemployment Benefits	$ -	$ -	$ -	$ -	$ 5,446	$ -	$ 5,446
Total Deferred Inflows of Resources	$ -	$ -	$ -	$ -	$ 5,446	$ -	$ 5,446
Net Position							
Restricted for:							
Pension Benefits	$ 54,389,862	$ -	$ -	$ -	$ -	$ -	$ 54,389,862
Other Postemployment Benefits	3,451,114	-	-	-	-	-	3,451,114
Pool Participants	-	4,042,007	-	400,297	-	-	4,442,304
Individuals, Organizations, and Other Governments	-	-	8,317		611,561	790,137	1,410,015
Total Net Position	$ 57,840,976	$ 4,042,007	$ 8,317	$ 400,297	$ 611,561	$ 790,137	$ 63,693,295

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Fiscal Year Ended June 30, 2024

(Expressed in Thousands)

	Pension & Other Employee Benefit Trust Funds	Investment Trust Fund External Investment Pool	Private-Purpose Trust Fund Escheat Securities	Private-Purpose Trust Fund Baby Bonds	Fiduciary Component Unit Paid Family Medical Leave Authority	Custodial Funds	Total
Additions							
Contributions:							
Plan Members	$ 894,409	$ -	$ -	$ -	$ -	$ -	$ 894,409
State	5,411,689	-	-	-	-	-	5,411,689
Municipalities	146,551	-	-	-	-	-	146,551
Participant Contributions	-	-	-	-	465,244	-	465,244
Total Contributions	6,452,649	-	-	-	465,244	-	6,917,893
Investment Income	6,251,062	228,440	-	2,358	29,262	809	6,511,931
Less: Investment Expense	(433,118)	(384)	-	-	-	-	(433,502)
Net Investment Income	5,817,944	228,056	-	2,358	29,262	809	6,078,429
Insurance Securities	-	-	-	-	-	309,561	309,561
Escheat Securities Received	-	-	43,983	-	-	-	43,983
Pool's Share Transactions	-	947,276	-	-	-	-	947,276
Transfer In	12,909	-	-	398,298	-	-	411,207
Other	33,802	-	15,391	-	-	220,518	269,711
Total Additions	12,317,304	1,175,332	59,374	400,656	494,506	530,888	14,978,060
Deductions							
Administrative Expense	54,448	-	-	359	428,777	1,558	485,142
Benefit Payments and Refunds	5,984,915	-	-	-	-	-	5,984,915
Escheat Securities Returned or Sold	-	-	59,347	-	-	-	59,347
Distributions to Pool Participants	-	228,055	-	-	-	-	228,055
Depreciation & Amortization	-	-	-	-	951	-	951
Transfer Out	-	-	-	-	-	12,909	12,909
Other	138,565	-	-	-	464	318,096	457,125
Total Deductions	6,177,928	228,055	59,347	359	430,192	332,563	7,228,444
Change in Net Position Held In Trust For:							
Pension and Other Employee Benefits	6,139,376	-	-	-	-	-	6,139,376
Individuals, Organizations, and Other Governments	-	947,277	27	400,297	64,314	198,325	1,610,240
Net Position - Beginning	51,701,600	3,094,730	8,290	-	547,247	591,812	55,943,679
Net Position - Ending	$ 57,840,976	$ 4,042,007	$ 8,317	$ 400,297	$ 611,561	$ 790,137	$ 63,693,295

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

STATEMENT OF NET POSITION
COMPONENT UNITS

June 30, 2024

(Expressed in Thousands)

Assets	Connecticut Housing Finance Authority (12/31/2023)	Connecticut Lottery Corporation	Connecticut Airport Authority	Other Component Units	Total
Current Assets:					
Cash and Cash Equivalents	$ -	$ 20,938	$ 150,953	$ 250,887	$ 422,778
Investments	-	3,851	-	723,204	727,055
Receivables:					
Accounts, Net of Allowances	-	34,551	6,960	37,889	79,400
Loans, Net of Allowances	-	-	-	2,660	2,660
Interest Receivable	-	868	-	3,149	4,017
Due From Primary Government	-	-	6,881	18	6,899
Due From Other Governments	-	116	43,630	241	43,987
Due From Other Funds	-	-	-	57	57
Restricted Assets	1,416,345	-	14,931	517,021	1,948,297
Leases Receivable	-	-	5,360	5,032	10,392
Inventories	-	-	-	-	-
Other Current Assets	-	1,357	1,988	24,690	28,035
Total Current Assets	1,416,345	61,681	230,703	1,564,848	3,273,577
Noncurrent Assets:					
Investments	-	112,301	-	156,148	268,449
Accounts, Net of Allowances	-	-	-	86,710	86,710
Loans, Net of Allowances	-	-	-	294,037	294,037
Leases Receivable	-	-	115,338	47,811	163,149
Restricted Assets	4,860,662	-	120,560	256,749	5,237,971
Capital Assets, Net of Accumulated Depreciation	4,161	23,302	616,938	688,279	1,332,680
Other Noncurrent Assets	-	5,065	-	17,014	22,079
Total Noncurrent Assets	4,864,823	140,668	852,836	1,546,748	7,405,075
Total Assets	$ 6,281,168	$ 202,349	$ 1,083,539	$ 3,111,596	$ 10,678,652
Deferred Outflows of Resources					
Accumulated Decrease in Fair Value of Hedging Derivatives	$ -	$ -	$ -	$ -	$ -
Unamortized Losses on Bond Refundings	53,873	-	29	-	53,902
Related to Pensions & Other Postemployment Benefits	24,990	23,352	26,889	36,031	111,262
Other	-	-	-	1,867	1,867
Total Deferred Outflows of Resources	$ 78,863	$ 23,352	$ 26,918	$ 37,898	$ 167,031

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

STATEMENT OF NET POSITION
COMPONENT UNITS (Continued)

June 30, 2024

(Expressed in Thousands)

Liabilities	Connecticut Housing Finance Authority (12/31/2023)	Connecticut Lottery Corporation	Connecticut Airport Authority	Other Component Units	Total
Current Liabilities:					
Accounts Payable and Accrued Liabilities	$ 152,222	$ 10,250	$ 66,532	$ 114,103	$ 343,107
Current Portion of Long-Term Obligations	492,104	4,447	10,710	20,652	527,913
Due To Primary Government	-	-	-	76,265	76,265
Due To Other Governments	-	-	-	-	-
Due To Other Funds	-	-	-	57	57
Unearned Revenue	-	-	-	15,551	15,551
Lease Liabilities	-	-	-	713	713
Subscription Liabilities	-	-	-	647	647
Amount Held for Institutions	-	-	-	368,202	368,202
Other Liabilities	-	33,507	3,590	95	37,192
Total Current Liabilities	644,326	48,204	80,832	596,285	1,369,647
Noncurrent Liabilities:					
Pension & OPEB Liability	94,083	81,454	102,823	96,980	375,340
Lease Liabilities	-	13,544	-	8,560	22,104
Subscription Liabilities	-	-	-	323	323
Noncurrent Portion of Long-Term Obligations	4,628,620	112,301	206,417	353,542	5,300,880
Total Noncurrent Liabilities	4,722,703	207,299	309,240	459,405	5,698,647
Total Liabilities	$ 5,367,029	$ 255,503	$ 390,072	$ 1,055,690	$ 7,068,294
Other Deferred Inflows					
Related to Pensions & Other Postemployment Benefits	$ 49,006	$ 34,251	$ 49,597	$ 36,416	$ 169,270
Deferred Inflows Leases	-	-	114,236	48,347	162,583
Other Deferred Inflows	171,249	-	-	530	171,779
Total Deferred Inflows of Resources	$ 220,255	$ 34,251	$ 163,833	$ 85,293	$ 503,632
Net Position					
Net Investment in Capital Assets	$ 4,161	$ 9,758	$ 376,033	$ 521,263	$ 911,215
Restricted:					
Debt Service	-	-	14,931	-	14,931
Bond Indentures	768,586	-	11,485	-	780,071
Expendable Endowments	-	-	-	15,671	15,671
Nonexpendable Endowments	-	-	-	807,182	807,182
Capital Projects	-	-	95,036	-	95,036
Other Purposes	-	-	-	247,047	247,047
Unrestricted (Deficit)	-	(73,811)	59,067	417,348	402,604
Total Net Position (Deficit)	$ 772,747	$ (64,053)	$ 556,552	$ 2,008,511	$ 3,273,757

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

STATEMENT OF ACTIVITIES
COMPONENT UNITS

For the Fiscal Year Ended June 30, 2024
(Expressed in Thousands)

		Program Revenues			Net (Expense) Revenue and Changes in Net Position				
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Connecticut Housing Finance Authority (12/31/2023)**	**Connecticut Lottery Corporation**	**Connecticut Airport Authority**	**Other Component Units**	**Totals**
Connecticut Housing Finance Authority (12/31/2023)	$ 235,440	$ 128,963	$ -	$ -	$ (106,477)	$ -	$ -	$ -	$ (106,477)
Connecticut Lottery Corporation	1,680,757	1,680,937	-	-	-	180	-	-	180
Connecticut Airport Authority	138,612	151,731	-	42,466	-	-	55,585	-	55,585
Other Component Units	275,568	264,939	28,574	43,875	-	-	-	61,820	61,820
Total Component Units	$ 2,330,377	$ 2,226,570	$ 28,574	$ 86,341	(106,477)	180	55,585	61,820	11,108
General Revenues:									
Investment Income (Loss)					168,908	6,394	11,103	107,228	293,633
Transfer In					-	-	-	400	400
Total General Revenues					168,908	6,394	11,103	107,628	294,033
Change in Net Position					62,431	6,574	66,688	169,448	305,141
Net Position (Deficit)-Beginning					710,316	(70,627)	489,864	1,839,063	2,968,616
Net Position (Deficit)-Ending					$ 772,747	$ (64,053)	$ 556,552	$ 2,008,511	$ 3,273,757

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

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Note 1
Summary of Significant Accounting Policies

a. Basis of Presentation

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

b. Reporting Entity

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

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

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

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

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

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

The State's major and nonmajor component units are:

Connecticut Housing Finance Authority (CHFA)

CHFA was created for the purpose of increasing the housing supply and encouraging and assisting in the purchase, development, and construction of housing for low and moderate-income families and persons throughout the State. The Authority's fiscal year is for the period ended on December 31, 2023.

Connecticut Airport Authority (CAA)

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

Materials Innovation and Recycling Authority (MIRA) Dissolution Authority

MIRA Dissolution Authority was established to replace the Materials Innovation & Recycling Authority (MIRA) and effectively assumed all MIRA's underlying statutory duties, authorities and capabilities, and will continue MIRA's ongoing waste transfer operations until acceptable alternatives become available. It is responsible for the planning, design, construction, financing, management, ownership, operations and maintenance of solid waste disposal, volume reduction, recycling, intermediate processing, resource recovery and related support facilities necessary to carry out the State's Solid Waste Management Plan. It has also been charged with additional activities related to MIRA's dissolution. Specifically, the MIRA Dissolution Authority is to identify the immediate environmental needs and knowledge necessary for future redevelopment at the site of the now closed waste to energy facility in Hartford, which is to include engaging representatives of Hartford and other stakeholders with respect to the future of the site.

Connecticut Higher Education Supplemental Loan Authority (CHESLA)

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

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

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

Capital Region Development Authority (CRDA)
CRDA markets major sports, convention, and exhibition venues in the region.

Connecticut Innovations, Incorporated (CI)
CI was established to stimulate and promote technological innovation and application of technology within Connecticut and encourage the development of new products, innovations, and inventions or markets in Connecticut by providing financial and technical assistance.

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

Connecticut Lottery Corporation (CLC)
CLC was created in 1996 for the purpose of generating revenues for the State through the operation of a lottery.

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

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

University of Connecticut Foundation, Incorporated
The Foundation was created exclusively to solicit, receive, and administer gifts and financial resources from private sources for the benefit of all campuses and programs of the University of Connecticut and Health Center, a major Enterprise fund. The Foundation is reported as a component unit because the nature and significance of its relationship with the State are such that it would be misleading to exclude the Foundation from the State's reporting entity.

The State also reports the following fiduciary component unit:

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

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

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

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

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

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

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

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

Fund Financial Statements

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

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

The State reports the following major governmental funds:

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

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

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

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

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

The State reports the following major enterprise funds:

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

Board of Regents - This fund is used to account for the operations of the State University System, CT State Community College, and Charter Oak State College, which consists of four universities: Central, Eastern, Southern, and Western; one community college comprised of twelve campuses; and one on-line college.

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

In June 2023, the Connecticut General Assembly passed a state budget for the 2024 and 2025 biennium that changed the way fringe is paid for institutions of higher education. Effective July 1, 2023, the State directly funds Connecticut State employee benefit retirement costs, which are therefore no longer charged to the University of Connecticut, the Health Center, or the Board of Regents. As a result, there is a corresponding reduction in appropriations to those institutions since the state is directly covering retirement-related costs for all eligible Connecticut State Employees.

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

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

In addition, the State reports the following fund types:

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

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

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

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

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

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

e. Measurement Focus and Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements

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

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

Governmental Fund Financial Statements

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

f. Assets and Liabilities

Cash and Cash Equivalents (see Note 3)

In addition to petty cash and bank accounts, this account includes cash equivalents – short-term, highly liquid investments with original maturities of three months or less when purchased. Cash equivalents consist of investments in the Short-Term Investment Fund (STIF) which are reported at the fund's share price.

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

Investments (see Note 3)

Investments include Equity in Combined Investment Funds and other investments. Equity in Combined Investment Funds is reported at fair value based on the funds' current share price. Other investments are reported at fair value, except for the following investments which are reported at cost or amortized cost:

- Nonparticipating interest-earning investment contracts.
- Money market investments that mature within one year or less at the date of their acquisition.
- Investments of the External Investment Pool fund (an Investment Trust fund).

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

- The fair value of State bonds held by the Clean Water and Drinking Water funds (enterprise funds) which is estimated using a comparison of other State bonds.
- The fair value of securities not publicly traded held by the Connecticut Innovations, Incorporated, a component unit. The fair value of these investments is determined by an independent valuation committee of the Corporation, after considering pertinent information about the companies comprising the investments, including but not limited to recent sales prices of the issuer's securities, sales growth, progress toward business goals, and other operating data.

The State invests in derivatives. These investments are held by the Combined Investment Funds and are reported at fair value in each fund's statement of net position.

Inventories

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

Capital Assets

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

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

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

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

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

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

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

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

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

Securities Lending Transactions (see Note 3)

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

Escheat Property

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

Unearned Revenues

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

Long-term Obligations

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

Capital Appreciation Bonds

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

Compensated Absences

The 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. The State uses the first-in, first-out flows assumption when determining its liability in relation to compensated absences.

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

g. Derivative Instruments

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

h. Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

i. Interfund Activities

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

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

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

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

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

j. Endowments

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

k. Supplemental Nutrition Assistance Program (SNAP)

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, nutrition assistance distributed to recipients during the year is recognized as an expenditure and a revenue in the governmental fund financial statements.

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

m. Recently Adopted and Upcoming Accounting Pronouncements
Recently Adopted Accounting Pronouncements
The following GASB accounting pronouncements were adopted during the fiscal year 2024: Paragraphs 4 and 10 of GASB Statement No. 99, *Omnibus 2022*; and GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The adoption of these pronouncements did not have a material impact on the financial statements.

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

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints by requiring the government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. It also requires a government to assess whether an event or events associated with a concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement is effective for fiscal years beginning after June 15, 2024. The State is currently evaluating the impact this standard will have on its financial statements.

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

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

n. Use of Estimates
The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosures in the financial statements. Actual results could differ from those estimates.

Note 2
Nonmajor Fund Deficits

The following funds have deficit fund/net position balances at June 30, 2024, none of which constitutes a violation of statutory provisions (amounts in thousands):

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

The Transportation deficit will be eliminated in the future by the sale of bonds. Bonds have not been issued in this fund since fiscal year 2008. The Regional Market fund deficit was carried forward from prior years and should be eliminated in the future.

Note 3
Cash Deposits and Investments

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

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

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

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

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

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

Primary Government

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

Short-Term Investment Fund (STIF)

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

For financial reporting purposes, STIF is a mixed investment pool – a pool having external and internal portions. The external portion of STIF (i.e., the portion that belongs to participants which are not part of the State's financial reporting entity) is reported as an investment trust fund (External Investment Pool fund) in the fiduciary fund financial statements. The internal portion of STIF (i.e., the portion that belongs to participants that are part of the State's financial reporting entity) is not reported in the accompanying financial statements. Instead, investments in the internal portion of STIF by participant funds are reported as cash equivalents in the government-wide and fund financial statements.

For disclosure purposes, certificates of deposit held by STIF are reported in this note as bank deposits, not as investments. As of June 30, 2024, STIF had the following investments and maturities (amounts in thousands):

Short-Term Investment Fund			
		Investment Maturities (in years)	
Investment Type	Amortized Cost	Less Than 1	1-5
Treasury Securities	$ 747,582	$ 747,582	$ -
Federal Agency Securities	2,357,989	2,357,989	-
Bank Commercial Paper	2,321,515	2,321,515	-
Repurchase Agreements	5,325,000	5,325,000	-
Money Market Funds	66,828	66,828	-
Total Investments	$ 10,818,914	$ 10,818,914	$ -

Interest Rate Risk

STIF's policy for managing interest rate risk is to limit investment to a very short weighted average maturity, not to exceed 90 days, and to comply with Standard and Poor's requirement that the weighted average maturity not to exceed 60 days. As of June 30, 2024, the weighted average maturity of STIF was 33 days. Additionally, STIF is allowed by policy to invest in floating-rate securities. However, investment in these securities having maturities greater than two years is limited to no more than 20.0 percent of the overall portfolio. For purposes of the fund's weighted average maturity calculation, variable-rate securities are calculated using their rate reset date. Because these securities reprice frequently to prevailing market rates, interest rate risk is substantially reduced. As of June 30, 2024, the amount of STIF's investments in variable-rate securities was $4.1 billion.

Credit Risk

STIF's policy for managing credit risk is to purchase short-term, high-quality fixed income securities that fall within the highest short-term or long-term rating categories by nationally recognized rating organizations. As of June 30, 2024, STIF's investments were rated by Standard and Poor's as follows (amounts in thousands):

Credit Quality Ratings	Amortized Cost	Percentage of Amortized Cost
A-1+	$ 3,621,515	33.5%
A-1	4,025,000	37.2%
A-2	-	0.0%
AAAm	66,828	0.6%
U.S. Government Agency Securities	2,357,989	21.8%
United States Treasury Securities	747,582	6.9%
Total	$ 10,818,914	100.0%

Concentration of Credit Risk

STIF reduces its exposure to this risk by ensuring that at least 60.0 percent of fund assets will be invested in securities rated "A-1+" or equivalent. In addition, exposure to any single non-governmental issuer will not exceed 5.0 percent (at the time a security is purchased), exposure to any single money market mutual fund (rated AAAm) will not exceed 5.0 percent of fund assets and exposure to money market mutual funds in total will not exceed 15.0 percent. As of June 30, 2024, STIF's investments in any one issuer that represents more than 5.0 percent of total investments were as follows (amounts in thousands):

Investment Issuer	Amortized Cost
Federal Home Loan Bank	$ 1,084,982
Federal Farm Credit Bank	$ 1,273,000

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

STIF follows policy parameters that limit deposits in any one entity to a maximum of ten percent of assets. Further, the certificates of deposit must be issued from commercial banks whose short-term debt is rated at least "A-1" by Standard and Poor's and "F-1" by Fitch and whose long-term debt is rated at least "A-" or backed by a letter of credit issued by a Federal Home Loan bank. As of June 30, 2024, $6,636,538 of the bank balance of STIF's deposits of $7,174,959 was exposed to custodial credit risk as follows (amounts in thousands):

Uninsured and uncollateralized	$ 6,636,538
Uninsured and collateral held by trust department of either the pledging bank or another bank not in the name of the State	-
Total	$ 6,636,538

Combined Investment Funds (CIFS)

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

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

	Primary Government		
	Governmental Activities	Business-Type Activities	Fiduciary Funds
Equity in the CIFS	$ 133,086	$ 533	$ 56,348,038
Other Investments	-	37,656	4,429,586
Total Investments-Current	$ 133,086	$ 38,189	$ 60,777,624

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

As of June 30, 2024, the CIFS had the following investments (amounts in thousands):

	Fair Value Measurement			
Investments by Fair Value Level	**Total**	**Level 1**	**Level 2**	**Level 3**
Cash Equivalents	$ 1,146,628	$ -	$ 1,146,628	$ -
Asset Backed Securities	409,846	-	409,846	-
Government Securities	5,131,105	-	5,131,105	-
Government Agency Securities	1,585,375	-	1,585,375	-
Mortgage Backed Securities	372,984	-	372,984	-
Corporate Debt	4,265,471	-	4,251,258	14,213
Convertible Securities	131,314	747	130,567	-
Derivatives	3,589	-	3,589	-
Common Stock	26,557,167	26,544,995	8,357	3,815
Preferred Stock	58,468	58,377	91	-
Real Estate Investment Trust	421,515	405,303	16,212	-
Mutual Fund	128,675	128,675	-	-
Total	$ 40,212,137	$ 27,138,097	$ 13,056,012	$ 18,028
Investments Measured by Net Asset Value (NAV)		**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Business Development Corporation	161,961	203,273	Illiquid	N/A
Limited Partnerships	16,942,110	10,374,387	Illiquid	N/A
Total	17,104,071	10,577,660		
Total Investments in Securities at Fair Value	$ 57,316,208			

Investments are stated at fair value for each of the CIFS as described below. For the Alternative Investment, Real Assets, Private Credit and Private Investment Funds substantially all of the investments, other than those in the Liquidity Fund, are shown at values that are carried at the general partner's June 30, 2024 fair value, or net asset value ("NAV") equivalent. The CIFS' assets are fair valued quarterly by the General Partner and at such other times as determined by the General Partner and are based on Accounting Standards Codification ("ASC") 820 "Fair Value Measurements and Disclosures." The fair value the General Partner assigned to these investments is based upon available information and does not represent necessarily the amount that ultimately might be realized upon sale or maturity. Because of the inherent uncertainty of the fair valuation process, this estimated fair value presented by the General Partner may differ significantly from the fair value that would have been used had a ready market for the security existed, and the difference could be material. The General Partner is responsible for coordination and oversight of all investment valuations.

Interest Rate Risk

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

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

Combined Investment Funds

		Investment Maturities (in Years)			
Investment Type	**Fair Value**	**Less Than 1**	**1 - 5**	**6 - 10**	**More Than 10**
Cash Equivalents	$ 1,146,628	$ 1,146,628	$ -	$ -	$ -
Asset Backed Securities	409,846	443	125,058	95,671	188,674
Government Securities	5,131,105	91,953	3,502,233	1,079,704	457,215
Government Agency Securities	1,585,375	10,004	3,668	7,440	1,564,263
Mortgage Backed Securities	372,984	-	20,345	14,044	338,595
Corporate Debt	4,265,471	525,512	2,175,703	998,271	565,985
Convertible Debt	131,314	10,709	112,965	7,640	-
Total	$ 13,042,723	$ 1,785,249	$ 5,939,972	$ 2,202,770	$ 3,114,732

Credit Risk

The CIFS minimize exposure to this risk in accordance with a comprehensive investment policy statement, as developed by the Office of the Treasurer and the State's Investment Advisory Council, which provides policy guidelines for the CIFS and includes an asset allocation plan. The asset allocation plan's main objective is to maximize investment returns over the long term at an acceptable level of risk. As of June 30, 2024, the CIFS' debt investments were rated by Moody's as follows (amounts in thousands):

Combined Investment Funds

	Fair Value	Cash Equivalents	Asset Backed Securities	Government Securities	Government Agency Securities	Mortgage Backed Securities	Corporate Debt	Convertible Debt
Aaa	$ 6,805,809	$ 99,985	$ 158,745	$ 4,611,273	$ 1,585,875	$ 295,852	$ 54,079	$ -
Aaa-mf	612,929	612,929	-	-	-	-	-	-
Aa	238,291	-	54,500	91,671	-	24,397	67,723	-
A	628,935	-	48,357	36,592	-	-	543,986	-
Baa	1,171,580	-	59,347	101,456	-	8,321	1,002,456	-
Ba	880,774	-	4,211	88,677	-	-	787,886	-
B	965,148	-	965	29,312	-	-	934,871	-
Caa	363,960	-	1,100	24,464	-	584	337,812	-
Ca	22,843	-	2,957	9,573	-	439	9,874	-
C	10,920	-	-	10,244	-	-	676	-
Not Rated	1,341,534	433,736	79,664	127,323	-	43,390	526,107	131,314
Total	$ 13,042,723	$ 1,146,650	$ 409,846	$ 5,130,585	$ 1,585,875	$ 372,983	$ 4,265,470	$ 131,314

Foreign Currency Risk

The CIFS manage exposure to this risk by utilizing a strategic hedge ratio of 50.0 percent for the developed market portion of the International Stock Fund (a Combined Investment Fund). This strategic hedge ratio represents the neutral stance or desired long-term exposure to currency for the ISF. To implement this policy, currency specialists actively manage the currency portfolio as an overlay strategy to the equity investment managers. These specialists may manage the portfolio passively or actively depending on opportunities in the marketplace. While managers within the fixed income portion of the portfolio can invest in non-U.S. denominated securities, managers are required to limit that investment to a portion of their respective portfolios.

As of June 30, 2024, the CIFS' foreign deposits and investments were as follows (amounts in thousands):

				Fixed Income Securities				Eqities		
Foreign Currency	Total	Cash	Cash Equivalent Collateral	Government Securities	Corporate Debt	Mortgage and Asset Backed	Convertible Bonds	Common Stock	Preferred Stock and Mutual Funds	Real Estate Investment Trust Fund
Argentine Peso	$ 125	$ 125	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Australian Dollar	412,534	849	-	-	-	-	-	390,497	-	21,188
Brazilian Real	198,547	1,426	-	24,373	1,742	(256)	-	147,541	23,721	-
Canadian Dollar	37,160	294	-	-	-	-	-	36,866	-	-
Chilean Peso	4,477	183	-	4,406	-	(112)	-	-	-	-
Colombian Peso	13,222	392	-	8,947	4,209	(326)	-	-	-	-
Czech Koruna	9,120	129	(2,360)	11,362	-	(11)	-	-	-	-
Danish Krone	307,589	381	-	-	-	-	-	307,208	-	-
Dominican Peso	9,140	-	-	9,140	-	-	-	-	-	-
Egyptian Pound	2,817	-	-	-	2,817	-	-	-	-	-
Euro Currency	2,516,978	5,409	(539)	12,946	944	856	19,639	2,437,621	28,748	11,354
Hong Kong Dollar	550,125	1,718	-	-	-	-	1,338	539,177	-	7,892
Hungarian Forint	27,361	187	-	9,832	-	(2)	-	17,344	-	-
Indian Rupee	9,488	-	-	-	9,483	5	-	-	-	-
Indonesian Rupiah	70,576	348	-	14,156	4,684	-	-	51,388	-	-
Japanese Yen	1,384,389	8,651	-	-	-	23	3,742	1,355,570	-	16,403
Kazakhstan Tenge	1,300	-	-	-	1,300	-	-	-	-	-
Malaysian Ringgit	27,302	210	-	20,425	-	4	-	6,663	-	-
Mexican Peso	59,266	(148)	-	24,737	5,283	(98)	-	24,770	-	4,722
New Israeli Sheqel	27,944	419	-	-	-	-	-	27,305	-	220
New Taiwan Dollar	184,143	-	-	-	-	-	-	184,143	-	-
New Zealand Dollar	10,567	458	-	-	-	-	-	9,722	-	387
Nigerian Naira	2,361	-	-	-	2,361	-	-	-	-	-
Norwegian Krone	44,663	521	-	-	-	-	-	44,142	-	-
Paraguay Guarani	561	-	-	561	-	-	-	-	-	-
Peruvian Sol	20,634	83	-	16,901	3,650	-	-	-	-	-
Philippine Peso	6,244	17	-	401	-	-	-	5,826	-	-
Polish Zloty	30,912	1	(5,712)	12,858	1,084	-	-	22,681	-	-
Pound Sterling	1,259,745	3,829	-	-	-	1,683	-	1,231,488	-	22,745
Romanian Leu	5,543	63	-	5,480	-	-	-	-	-	-
Russian Ruble	2,375	2,375	-	-	-	-	-	-	-	-
Saudi Riyal	39,674	-	-	-	-	-	-	39,674	-	-
Singapore Dollar	87,367	470	-	-	-	-	-	77,797	-	9,100
South African Rand	101,091	103	-	24,734	3,967	5	-	72,282	-	-
South Korean Won	386,310	1	-	-	-	-	-	386,309	-	-
Swedish Krona	176,213	237	-	-	-	-	-	175,976	-	-
Swiss Franc	658,566	516	-	-	-	-	-	658,050	-	-
Thailand Baht	46,958	309	-	11,354	-	(4)	-	35,299	-	-
Turkish Lira	23,015	3	-	5,129	-	-	-	17,883	-	-
Ukrainian Hryvnia	8,116	1,565	-	6,551	-	-	-	-	-	-
Uruguayan Peso	4,315	-	-	4,315	-	-	-	-	-	-
Yuan Renminbi	10,765	(121,063)	-	-	-	397	-	131,431	-	-
Yuan Renminbi (Offshore)	123,810	123,810	-	-	-	-	-	-	-	-
Zambian Kwacha	536	16	-	520	-	-	-	-	-	-
Total	$ 8,903,944	$ 33,887	$ (8,611)	$ 229,128	$ 41,524	$ 2,164	$ 24,719	$ 8,434,653	$ 52,469	$ 94,011

Derivatives

As of June 30, 2024, the CIFS held the following derivative investments (amounts in thousands):

	2024 Fair Value	2023 Fair Value
Adjustable Rate Securities	$ 1,701,455	$ 1,546,406
Asset Backed Securities	409,846	277,075
Mortgage Backed Securities	343,769	284,450
Forward Mortgage Backed Securities (TBA's)	346,482	666,577
Interest Only	29,215	18,798
Total	$ 2,830,767	$ 2,793,306

The Core Fixed Income Fund held futures with a notional cost of $205,667,609. The Developed Market International Stock Fund held futures with a notional cost of $42,129,738. Also, the Non-Core Fixed Income Fund held futures with a notional cost of $37,834,805.

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, 2024, the fair value of contracts to buy and contracts to sell was $373.6 million and $371.8 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, 2024, the CIFS had deposits with a bank balance of $68.6 million, all of which was uninsured and uncollateralized.

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

Other Investments

The University of Connecticut (UConn) measures and records its investments using fair value measurement guidelines. These guidelines have a three tired fair value hierarchy, as follows: Level 1: Quoted prices for identical investments in active market; Level 2: Observable inputs other than quoted market price; and Level 3: Unobservable inputs. As of June 30, 2024, UConn had the following recurring fair value measurements. (amounts in thousands):

Investments by Fair Value Level	Total	Level 1	Level 2	Level 3
Cash Equivalents	$ 494	$ 494	$ -	$ -
Fixed Income Securities	2,096	2,096	-	-
Equity Securities	17,849	17,849	-	-
Total	$ 20,439	$ 20,439	$ -	$ -

Investments Measured by Net Asset Value (NAV)		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Capital Partnerships	$ 234	$ 110	N/A	N/A
Private Real Estate Partnerships	8	35	N/A	N/A
Natural Resource Partnerships	108	5	N/A	N/A
Long/Short Equities	1	-	N/A	N/A
Relative Value	399	-	N/A	N/A
Other	709	-	N/A	N/A
Total	1,459	$ 150		
Total Investments in Securities at Fair Value	$ 21,898			

As of June 30, 2024, the State had other investments and maturities as follows (amounts in thousands):

		Investment Maturities (in Years)		
Investment Type	Fair Value	Less Than 1	1-5	6-10
U.S. Government and Agency Securities	748,999	132,910	243,565	372,524
Guaranteed Investment Contracts	15,837	-	15,837	-
Money Market Funds	65,843	65,843	-	-
Total Debt Investments	830,679	$ 198,753	$ 259,402	$ 372,524
Endowment Pool	21,189			
Other Investments	13,817			
Total Investments	$ 865,685			

Credit Risk

As of June 30, 2024, other debt investments were rated by Standard and Poor's as follows (amounts in thousands):

Other Investments						
	Fair	Quality Ratings				
Investment Type	Value	AAA	AA	A	BBB	Unrated
U.S. Government and Agency Securities	$ 681,601	$ -	$ 681,601	$ -	$ -	$ -
Guaranteed Investment Contracts	15,837	-	-	14,362	-	1,475
Money Market Funds	65,843	65,843	-	-	-	-
Total	$ 763,281	$ 65,843	$ 681,601	$ 14,362	$ -	$ 1,475

Connecticut State Universities had $67.4 million as U.S. Government Securities, these securities have no credit risk therefore, these securities are not included in the above table.

Custodial Credit Risk-Bank Deposits

The State maintains its deposits at qualified financial institutions located in the State to reduce its exposure to this risk. These institutions are required to maintain, segregated from its other assets, eligible collateral in an amount equal to 10.0 percent, 25.0 percent, 100.0 percent, or 120.0 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, 2024, $420.9 billion of the bank balance of the Primary Government of $465.4 billion was exposed to custodial credit risk as follows (amounts in thousands):

Uninsured and uncollateralized	$ 71,485
Uninsured and collateral held by trust department of either the pledging bank or another bank not in the name of the State	349,431
Total	$ 420,916

Component Units

The Connecticut Housing Finance Authority (CHFA) and the Connecticut Lottery Corporation (CLC) reported the following investments and maturities as of December 31, 2023 and June 30, 2024, respectively (amounts in thousands):

Major Component Units					
		Investment Maturities (in years)			
	Fair	Less			More
Investment Type	Value	Than 1	1-5	6-10	Than 10
Collateralized Mortgage Obligations	$ 619	$ 181	$ -	$ -	$ 438
GNMA & FNMA Program Assets	2,412,708	-	1,523	26,750	2,384,435
Money Market	7,535	7,535	-	-	-
Municipal Bonds	30,479	350	1,951	2,568	25,610
STIF	1,062,537	1,062,537	-	-	-
MBS's	66	-	66	-	-
Structured Securities	511	-	511	-	-
U.S. Government Agency Securities	706	-	-	-	706
VRDN's	100,759	100,759	-	-	-
Total Debt Investments	3,615,920	$ 1,171,362	$ 4,051	$ 29,318	$ 2,411,189
Annuity Contracts	116,153				
Total Investments	$ 3,732,073				

The CHFA and the CLC own 96.9 percent and 3.1 percent of the above investments, respectively. The Government National Mortgage Association (GNMA) Program Assets represent securitized home mortgage loans of CHFA which are guaranteed by GNMA. Annuity contracts are the only investment held by the CLC, which are not subject to investment risks discussed next.

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

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

CHFA's investments were rated as of December 31, 2023 as follows (amounts in thousands):

Component Units						
	Fair	Quality Ratings				
Investment Type	Value	AAA	AA	Aaa	C	Unrated
Collateralized Mortgage Obligations	$ 619	$ -	$ -	$ 438	$ -	$ 181
GNMA & FNMA Program Assets	2,412,708	-	-	2,412,708	-	-
Money Market	7,535	-	-	6,309	-	1,226
Municipal Bonds	30,479	-	4,492	-	-	25,987
STIF	1,062,537	1,062,537	-	-	-	-
MBS's	66	-	-	66	-	-
Structured Securities	511	-	-	-	511	-
U.S. Government Agency Securities	706	-	-	706	-	-
VRDN's	100,759	-	-	100,759	-	-
Total	$ 3,615,920	$ 1,062,537	$ 4,492	$ 2,520,986	$ 511	$ 27,394

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, 2023, the Authority had no investments in any one issuer that represents 5.0 percent or more of total investments, other than investments guaranteed by the U.S. Government (GNMA and FNMA Program Assets), and investments in the State's STIF.

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

During the year, the Agent lent certain securities and received cash or other collateral as indicated on the Securities Lending Authorization Agreement. The Agent did not have the ability to pledge or sell collateral securities received absent a borrower default. Borrowers were required to deliver collateral for each loan equal to at least 102.0 percent of the fair value of the domestic loaned securities or 105.0 percent of the fair value of foreign loaned securities.

According to the Agreement, the Agent has an obligation to indemnify the funds in the event any borrower failed to return the loaned securities or pay distributions thereon. There were no such failures during the fiscal year that resulted in a declaration or notice of default of the borrower. During the fiscal year, the funds and the borrowers maintained the right to terminate all securities lending transactions upon notice. The cash collateral received on each loan was invested in an individual account known as the State of Connecticut Collateral Investment Trust. At year end, the funds had no credit risk exposure to borrowers because the fair value of the collateral held and the fair value of securities on loan were $5.82 billion and $5.71 billion, respectively.

Under normal circumstances, the average duration of collateral investments is managed so that it will not exceed 60 days. At year end, the average duration of the collateral investments was 2.8 days and an average weighted maturity of 56.4 days.

Note 4
Receivables-Current

As of June 30, 2024, current receivables consisted of the following (amounts in thousands):

	Primary Government		
	Governmental Activities	Business-Type Activities	Component Units
Taxes	$ 4,468,819	$ -	$ -
Accounts	1,716,348	614,819	92,583
Loans, Current Portion	-	219,160	2,660
Other Governments	679,756	29,465	43,987
Interest	8,445	4,816	3,001
Other	6	371	1,015
Total Receivables	6,873,374	868,631	143,246
Allowance for Uncollectibles	(859,936)	(108,862)	(13,182)
Receivables, Net	$ 6,013,438	$ 759,769	$ 130,064

Note 5
Taxes Receivable

Taxes receivable consisted of the following as of June 30, 2024 (amounts in thousands):

	Governmental Activities		
	General Fund	Transportation Fund	Total
Sales and Use	$ 1,723,814	$ -	$ 1,723,814
Income Taxes	1,456,131	-	1,456,131
Corporations	241,186	-	241,186
Gasoline and Special Fuel	-	288,448	288,448
Various Other	681,106	-	681,106
Total Taxes Receivable	4,102,237	288,448	4,390,685
Allowance for Uncollectibles	(321,908)	(21)	(321,929)
Taxes Receivable, Net	$ 3,780,329	$ 288,427	$ 4,068,756

Note 6
Receivables-Noncurrent

Noncurrent receivables for the primary government and its component units, as of June 30, 2024, consisted of the following (amounts in thousands):

	Primary Government		
	Governmental Activities	Business-Type Activities	Component Units
Accounts	$ -	$ -	$ 86,710
Loans	1,029,384	1,019,573	304,599
Leases	-	3,359	163,149
Total Receivables	1,029,384	1,022,932	554,458
Allowance for Uncollectibles	(89,402)	(600)	(10,562)
Receivables, Net	$ 939,982	$ 1,022,332	$ 543,896

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

Clean Water fund (business-type activities) loans funds to qualified municipalities for planning, design, and construction of water quality projects. These loans are payable over a 20-year period at an annual interest rate of 2.0 percent and are secured by the full faith and credit or revenue pledges of the municipalities, or both. At year end, the noncurrent portion of loans receivable was $820.4 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 2.3 percent to 5.0 percent. At year end, the noncurrent portion of loans receivable was $128.4 million.

Note 7
Restricted Assets

Restricted assets are defined as resources that are restricted by legal or contractual requirements. As of June 30, 2024, restricted assets were comprised of the following (amounts in thousands):

	Cash & Cash Equivalents	Investments	Loans, Net of Allowances	Other	Total Restricted Assets
Governmental Activities:					
Debt Service	$ 1,368,157	$ -	$ -	$ -	$ 1,368,157
Environmental	-	-	-	-	-
Total Governmental Activities	$ 1,368,157	$ -	$ -	$ -	$ 1,368,157
Business-Type Activities:					
UConn/Health Center	$ 239,336	$ -	$ -	$ -	$ 239,336
Clean Water	111,664	51,871	-	-	163,535
Other Proprietary	44,461	420	-	-	44,881
Total Business-Type Activities	$ 395,461	$ 52,291	$ -	$ -	$ 447,752
Component Units:					
CHFA	$ 731	$ 3,615,920	$ 2,508,158	$ 152,198	$ 6,277,007
CAA	117,024	14,931	-	3,536	135,491
Other Component Units	125,347	459,501	183,314	5,608	773,770
Total Component Units	$ 243,102	$ 4,090,352	$ 2,691,472	$ 161,342	$ 7,186,268

Note 8
Current Liabilities

As of June 30, 2024, accounts payable and accrued liabilities consisted of the following (amounts in thousands):

	Vendors	Salaries and Benefits	Interest	Other	Total Payables & Accrued Liabilities
Governmental Activities:					
General	$ 210,687	$ 183,574	$ -	$ -	$ 394,261
Transportation	22,027	11,623	-	-	33,650
Restricted Accounts	244,060	13,076	-	-	257,136
Grants and Loans	13,745	84	-	3,410	17,239
Other Governmental	113,193	6,249	-	-	119,442
Internal Service	168	461	-	-	629
Reconciling amount from fund financial statements to government-wide financial statements	-	-	323,167	930,270	1,253,437
Total-Governmental Activities	$ 603,880	$ 215,067	$ 323,167	$ 933,680	$ 2,075,794
Business-Type Activities:					
UConn/Health Center	$ 95,485	$ 103,181	$ -	$ 57,149	$ 255,815
Board of Regents	25,241	78,624	1,351	-	105,216
Other Proprietary	4,006	(1)	9,139	740	13,884
Total-Business-Type Activities	$ 124,732	$ 181,804	$ 10,490	$ 57,889	$ 374,915
Component Units:					
CHFA	$ 7,617	$ -	$ 19,605	$ 125,000	$ 152,222
Connecticut Lottery Corporation	9,284	-	966	-	10,250
Connecticut Airport Authority	37,757	6,182	3,612	18,981	66,532
Other Component Units	9,860	1,470	931	101,842	114,103
Total-Component Units	$ 64,518	$ 7,652	$ 25,114	$ 245,823	$ 343,107

Note 9
Capital Assets

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

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 1,986,800	$ 32,999	$ 81	$ 2,019,718
Construction in Progress	6,845,894	1,448,644	752,590	7,541,948
Art & Historical Collections	224,790	4	26	224,768
Total Capital Assets not being Depreciated	9,057,484	1,481,647	752,697	9,786,434
Capital Assets being Depreciated/Amortized:				
Buildings	4,851,388	52,277	11,569	4,892,096
Improvements other than Buildings	413,372	3,033	42,197	374,208
Equipment	2,441,981	191,934	91,340	2,542,575
Intangible Assets	369,686	8,307	11,219	366,774
Right-to-use Assets - Leases	98,613	9,261	9,798	98,076
Right-to-use Assets - Subscriptions	40,390	12,295	-	52,685
Infrastructure	19,339,937	610,613	-	19,950,550
Total Capital Assets Being Depreciated/Amortized	27,555,367	887,720	166,123	28,276,964
Less Accumulated Depreciation/Amortization for:				
Buildings	3,349,972	70,803	11,569	3,409,206
Improvements other than Buildings	233,099	15,700	42,197	206,602
Equipment	1,660,359	123,279	91,340	1,692,298
Intangible Assets	344,002	4,964	11,219	337,747
Right-to-use Assets - Leases	34,574	15,418	9,798	40,194
Right-to-use Assets - Subscriptions	9,565	13,951	-	23,516
Infrastructure	13,320,643	485,358	-	13,806,001
Total Accumulated Depreciation/Amortization	18,952,214	729,473	166,123	19,515,564
Total Capital Assets being Depreciated/Amortized, Net	8,603,153	158,247	-	8,761,400
Governmental Activities Capital Assets, Net	$ 17,660,637	$ 1,639,894	$ 752,697	$ 18,547,834

Depreciation and amortization expenses were charged to functions as follows:

Governmental activities:	
Legislative	$ 6,913
General Government	56,916
Regulation & Protection	21,768
Conservation & Development	3,623
Health & Hospitals	6,779
Transportation	587,248
Human Services	6,188
Education, Libraries & Museums	2,033
Corrections	22,798
Judicial	15,207
Total	$ 729,473

	Beginning Balance	Additions	Retirements	Ending Balance
Business-Type Activities				
Capital Assets not being Depreciated:				
Land	$ 78,535	$ -	$ 322	$ 78,213
Construction in Progress	256,681	246,134	86,867	415,948
Art & Historical Collections	68,222	2,841	45	71,018
Total Capital Assets not being Depreciated	403,438	248,975	87,234	565,179
Capital Assets being Depreciated/Amortized:				
Buildings	7,561,989	101,094	4,182	7,658,901
Improvements other than Buildings	743,455	14,215	156	757,514
Equipment	901,308	74,441	47,080	928,669
Intangible Assets	130,233	3,562	10,317	123,478
Right-to-use Assets - Leases	233,076	35,245	8,499	259,822
Right-to-use Assets - Subscriptions	102,472	22,413	8,739	116,146
Total Capital Assets being Depreciated	9,672,533	250,970	78,973	9,844,530
Less: Accumulated Depreciation/Amortization For:				
Buildings	3,401,962	218,749	8,584	3,612,127
Improvements other than Buildings	318,289	20,385	410	338,264
Equipment	712,214	47,162	45,093	714,283
Intangible Assets	86,471	10,829	10,317	86,983
Right-to-use Assets - Leases	42,145	19,419	8,003	53,561
Right-to-use Assets - Subscriptions	36,020	33,663	8,443	61,240
Total Accumulated Depreciation/Amortization	4,597,101	350,207	80,850	4,866,458
Total Capital Assets being Depreciated/Amortized, Net	5,075,432	(99,237)	(1,877)	4,978,072
Business-Type Activities, Capital Assets, Net	$ 5,478,870	$ 149,738	$ 85,357	$ 5,543,251

Component Units and Fiduciary Component Unit

Capital assets of the component units and the fiduciary c the following as of June 30, 2024 (amounts in thousands):

Land	$ 489,803
Buildings	1,259,997
Improvements other than Buildings	312,782
Machinery and Equipment	421,389
Intangible Assets	9,800
Right-to-use Assets - Leases	27,398
Right-to-use Assets - Subscriptions	1,941
Construction in Progress	109,277
Total Capital Assets	2,632,387
Accumulated Depreciation	1,299,707
Capital Assets, Net	$ 1,332,680

Note 10
State Retirement Systems

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

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

Special Funding Situation

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

a. Plan Descriptions and Funding Policy

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

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

State Employees' Retirement System

Plan Description

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

	Primary Government		Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
State Employees' Retirement System				
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	$ 391,472	$ -	$ 3,063	$ -
Difference Between Expected and Actual Experience	2,151,902	-	16,837	-
Changes in Proportion & Differences Between Employer Contributions & Proportionate Share of Contributions	5,800	-	6,516	60,687
Change in Assumptions	-	20,924	-	164
Employer Contributions Subsequent to Measurement Date	2,588,184	-	22,934	-
Total	$ 5,137,358	$ 20,924	$ 49,350	$ 60,851
Teachers' Retirement System				
Differences Between Expected and Actual Experience	$ 602,063	$ 134,059		
Change in Assumptions	1,236,893	-		
Net Difference Between Projected and Actual Earnings on Plan Investments	692,258	-		
Employer Contributions Subsequent to Measurement Date	1,973,681	-		
Total	$ 4,504,895	$ 134,059		
Judicial Retirement System				
Net Difference Between Projected and Actual Earnings on Plan Investments	$ 10,382	$ -		
Differences Between Expected and Actual Experience	31,702	526		
Change in Assumptions	-	57		
Employer Contributions Subsequent to Measurement Date	35,252	-		
Total	$ 77,336	$ 583		

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

State Employees' Retirement System Year	Primary Government	Component Units
1	$ 870,397	$ (10,100)
2	603,863	(11,594)
3	967,511	(7,250)
4	102,607	(4,868)
5	32,243	(623)
	$ 2,576,621	$ (34,435)

Teachers' Retirement System Year	Primary Government
1	$ 984,797
2	478,037
3	821,800
4	55,142
5	53,995
6	3,384
	$ 2,397,155

Judges' Retirement System Year	Primary Government
1	$ 16,242
2	13,998
3	12,123
4	(862)
5	-
	$ 41,501

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Rate of Return:

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 11.5 percent, 11.5 percent, and 11.4 percent for SERS, TRS, and JRS, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Net Pension Liability

The components of the net pension liability as of the measurement June 30, 2023 were as follows (amounts in thousands):

	SERS	TRS	JRS
Total Pension Liability	$ 41,981,067	$ 40,877,027	$ 557,543
Fiduciary Net Position	21,236,541	23,869,732	299,023
Net Pension Liability	$ 20,744,526	$ 17,007,295	$ 258,520
Ratio of Fiduciary Net Position to Total Pension Liability	50.59%	58.39%	53.63%

Discount Rate

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

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

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

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

	1% Decrease in Rate	Current Discount Rate	1% Increase in Rate
SERS Net Pension Liability	$ 25,548,163	$ 20,583,472	$ 16,444,860
TRS Net Pension Liability	$ 22,219,023	$ 17,007,295	$ 12,680,931
JRS Net Pension Liability	$ 315,693	$ 258,520	$ 209,566
Component Units	$ 199,890	$ 161,054	$ 128,672

c. GASB Statement 68 Employer Reporting

Employer Contributions

The following table presents the primary government's and component units' contributions recognized by the pension plans at the reporting date June 30, 2024 (amounts in thousands):

	SERS	TRS	JRS	Total
Primary Government	$ 2,588,184	$ 1,973,681	$ 35,252	$ 4,597,117
Component Units	22,934	-	-	22,934
Total Employer Contributions	$ 2,611,118	$ 1,973,681	$ 35,252	$ 4,620,051

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

As of the measurement date June 30, 2023, the primary government and component units reported net pension liabilities for the following plans administered by the State as follows (amounts in thousands):

	Primary Government	Component Units
Proportionate Share of the Net Pension Liability		
State Employees' Retirement System	$ 20,583,472	$ 161,054
Teachers' Retirement System	17,007,295	-
Judicial Retirement System	258,520	-
Total Net Pension Liability	$ 37,849,287	$ 161,054

The primary government's and component units' proportions of the collective net pension liability for the State Employees' Retirement System as of the measurement date June 30, 2023 as follows:

	Primary Government	Component Units
State Employees' Retirement System		
Proportion-June 30, 2023	99.2%	0.8%

For the measurement June 30, 2023, the primary government and component units' recognized pension expense for the following pension plans administered by the State as follows (amounts in thousands):

	Primary Government	Component Units
Pension Expense		
State Employees' Retirement System	$ 2,712,698	$ 5,500
Teachers' Retirement System	1,628,350	-
Judicial Retirement System	38,359	-
	$ 4,379,407	$ 5,500

Deferred Outflows and Inflows of Resources

As of the reporting date June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (amounts in thousands):

	Primary Government		Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
State Employees' Retirement System				
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	$ 391,472	$ -	$ 3,063	$ -
Difference Between Expected and Actual Experience	2,151,902	-	16,837	-
Changes in Proportion & Differences Between Employer Contributions & Proportionate Share of Contributions	5,800	-	6,516	60,687
Change in Assumptions	-	20,924	-	164
Employer Contributions Subsequent to Measurement Date	2,588,184	-	22,934	-
Total	$ 5,137,358	$ 20,924	$ 49,350	$ 60,851
Teachers' Retirement System				
Differences Between Expected and Actual Experience	$ 602,063	$ 134,059		
Change in Assumptions	1,236,893	-		
Net Difference Between Projected and Actual Earnings on Plan Investments	692,258	-		
Employer Contributions Subsequent to Measurement Date	1,973,681	-		
Total	$ 4,504,895	$ 134,059		
Judicial Retirement System				
Net Difference Between Projected and Actual Earnings on Plan Investments	$ 10,382	$ -		
Differences Between Expected and Actual Experience	31,702	526		
Change in Assumptions	-	57		
Employer Contributions Subsequent to Measurement Date	35,252	-		
Total	$ 77,336	$ 583		

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

State Employees' Retirement System Year	Primary Government	Component Units
1	$ 870,397	$ (10,100)
2	603,863	(11,594)
3	967,511	(7,250)
4	102,607	(4,868)
5	32,243	(623)
	$ 2,576,621	$ (34,435)

Teachers' Retirement System Year	Primary Government
1	$ 984,797
2	478,037
3	821,800
4	55,142
5	53,995
6	3,384
	$ 2,397,155

Judges' Retirement System Year	Primary Government
1	$ 16,242
2	13,998
3	12,123
4	(862)
5	-
	$ 41,501

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

	SERS	TRS	JRS
Valuation Date	6/30/2023	6/30/2023	6/30/2023
Inflation	2.5%	2.5%	2.5%
Salary Increases	3% to 11.5%	3% to 6.5%	4.0%
Investment Rate of Return	6.9%	6.9%	6.9%

The actuarial assumptions used in the June 30, 2023 SERS reported mortality rates based on Pub-2020 mortality tables with scale MP-2020. For non-hazardous duty service retirees-General, Above-Median, Healthy Retiree, disabled retirees – General, Disabled Retiree, beneficiaries-General, Above-Median, Employee. Hazardous duty service retirees – Public Safety, Above-Median, Healthy Retiree, disabled retirees – Public Safety, Disabled Retiree, beneficiaries – Public Safety, Above-Median Contingent Annuitant, active employees – Public Safety, Above-Median, Employee.

The actuarial assumptions used in the June 30, 2023 TRS actuarial report were based on the Pub T-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement. The Pub T-2010 Disabled Retiree Table projected generationally with MP-2019 was used for the period after disability retirement. The Pub T-2010 Contingent Survivor Table used for projected generationally with MP-2019 and set forward 1 year for both males and females was used for survivors and beneficiaries. The Pub T-2010 Employee Table projected generationally with MP-2019 was used for active members.

The actuarial assumptions used in the June 30, 2023 JRS reported mortality rates based on Pub-2010 Above Median Mortality Tables (amount weighted) projected generationally with the MP-2020 improvement scale, and assumed rates of withdrawal, disability, and retirement have been adjusted to reflect experience more closely.

Changes in Net Pension Liability

The following schedule presents changes in the State's pension liability and fiduciary net position for each plan for the measurement date June 30, 2023 (amounts in thousands):

Total Pension Liability	**SERS**	**TRS**	**JRS**
Service Cost	$ 463,636	$ 634,409	$ 11,667
Interest	2,715,450	2,668,940	33,491
Benefit Changes	-	-	-
Difference between expected and actual experience	750,238	73,374	44,883
Changes of assumptions	-	-	-
Benefit payments	(2,593,589)	(2,359,976)	(35,751)
Refunds of Contributions	(11,632)	-	-
Net change in total pension liability	1,324,103	1,016,747	54,290
Total pension liability - beginning (a)	40,656,964	39,860,280	503,253
Total pension liability - ending (c)	**$ 41,981,067**	**$ 40,877,027**	**$ 557,543**
Plan fiduciary net position			
Contributions - employer	$ 3,261,874	$ 1,578,038	$ 32,533
Contributions - member	223,062	397,818	2,019
Net investment income	1,754,898	1,878,740	23,363
Benefit payments	(2,593,589)	(2,359,976)	(35,751)
Administrative Expense	-	-	-
Refunds of Contributions	(11,632)	-	-
Other	(1,797)	825,391	477
Net change in plan fiduciary net position	2,632,816	2,320,011	22,641
Plan net position - beginning (b)	18,603,725	21,549,721	276,382
Plan net position - ending (d)	**$ 21,236,541**	**$ 23,869,732**	**$ 299,023**
Net pension liability - beginning (a)-(b)	**$ 22,053,239**	**$ 18,310,559**	**$ 226,871**
Net pension liability - ending (c)-(d)	**$ 20,744,526**	**$ 17,007,295**	**$ 258,520**

d. Defined Contribution Plan

The State also sponsors the Connecticut Alternate Retirement Program (CARP), a defined contribution plan. CARP is administered by the

State Comptroller's Retirement Office under the direction of the Connecticut State Employees' Retirement Division. Plan provisions, including contribution requirements of plan members and the State, are described in Section 5-156 of the General Statutes.

Unclassified employees at any of the units of the Connecticut State System of Higher Education are eligible to participate in the plan. Plan members are required to contribute 5.0 percent of their annual salaries. The State is required to contribute 7.0 percent of covered salary. During the year, plan members and the State contributed $36.8 million and $83.7 million, respectively.

Note 11
Other Retirement Systems Administered by the State of Connecticut

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

a. Plan Descriptions and Funding Policy

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

	MERS	CPJERS
Retirees and beneficiaries receiving benefits	8,932	389
Terminated plan members entitled to but not receiving benefits	1,761	153
Active plan members	10,332	317
Total	21,025	859
Number of participating employers	187	1

Connecticut Municipal Employees' Retirement System

Plan Description

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

Funding Policy

Plan members are required to contribute 2.25 percent to 5.0 percent of their annual salary, per Public Act 19-124 contribution rate will increase by 3.0 percent over six years. Participating municipalities are required to contribute at an actuarial determined rate. The participating municipalities fund administrative costs of the plan.

b. Investments

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

	MERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0%	6.8%
Public Credit	2.0%	2.9%
Core Fixed Income	13.0%	0.4%
Liquidity Fund	1.0%	-0.4%
Risk Mitigation	5.0%	0.1%
Private Equity	15.0%	11.2%
Private Credit	10.0%	6.1%
Real Estate	10.0%	6.3%
Infrastructure and Natural Resources	7.0%	7.7%

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

c. GASB Statement 68 Employer Reporting

Net Pension Liability of Participating Employers

The components of the net pension liability for MERS as June 30, 2023 were as follows (amounts in thousands):

		MERS
Total Pension Liability	$	4,644,500
Fiduciary Net Position		3,229,803
Net Pension Liability	$	1,414,697
Ratio of Fiduciary Net Position to Total Pension Liability		69.5%

Discount Rate

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

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

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

		1% Decrease in Rate		Current Discount Rate		1% Increase in Rate
Net Pension Liability	$	1,983,545	$	1,414,697	$	940,486

Deferred outflows and deferred inflows of resources

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

		Deferred Outflows of Resources		Deferred Inflows of Resources
Municipal Employees Retirement System				
Difference Between Expected and Actual Experience	$	142,761	$	11,524
Changes in actuarial assumptions		138,917		-
Net Difference Between Projected and Actual Investment Earnings on Plan Investments		109,867		-
Employer Contributions Subsequent to Measurement Date		145,612		-
	$	537,157	$	11,524

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

Year		MERS
1	$	100,259
2		79,970
3		161,054
4		28,680
5		10,058

Changes in Net Pension Liability

The following schedule presents changes in the State's pension liability and fiduciary net position for each plan for the measurement date June 30, 2023 (amounts in thousands):

Total Pension Liability MERS		
Service Cost	$	105,130
Interest on the total pension liability		299,089
Benefit changes		(113,231)
Difference between expected and actual		31,966
Changes of assumptions		171,527
Benefit payments		(243,133)
Refunds of contributions		(2,231)
Net change in total pension		249,117
Total pension liability - beginning		4,395,383
Total pension liability - ending (a)	**$**	**4,644,500**
Plan net position		
Contributions - employer	$	150,142
Contributions - member		46,080
Net investment income		258,917
Benefit payments		(243,133)
Refunds of contributions		(2,231)
Other		-
Net change in plan net position		209,775
Plan net position - beginning	**$**	**3,020,028**
Plan net position - ending (b)	**$**	**3,229,803**
Net pension liability - ending (a) -(b)	**$**	**1,414,697**

Actuarial Assumptions

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

Inflation	2.50%
Salary increase	3.0 to 9.5 percent, including inflation
Long-Term investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

d. Connecticut Probate Judges and Employees' Retirement System

Plan Description

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

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

Funding

Plan members are required to contribute 1.0 percent to 3.8 percent of their annual salary. The probate court system is required to contribute at an actuarial determined rate. Administrative costs of the plan are funded by the probate court system.

Pension Liability

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

Note 12
Pension Trust Funds Financial Statements

The financial statements of the pension trust funds are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. State contributions are recognized in the period in which the contributions are appropriated. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investment income and related expenses of the Combined Investment Funds are allocated ratably to the pension trust funds based on each fund's equity in the Combined Investment Funds. As of June 30, 2024, the Fiduciary Fund financial statements were as follows (amounts in thousands):

Statement of Fiduciary Net Position

	State Employees'	State Teachers'	Judicial	Connecticut Municipal Employees'	Probate Judges	Other	Total
Assets							
Current:							
Cash and Cash Equivalents	$ 7,983	$ 6,860	$ 110	$ 6,934	$ 78	$ 548	$ 22,513
Receivables:							
Accounts, Net of Allowances	10,008	14,932	147	24,772	-	-	49,859
From Other Governments	-	24	-	-	-	-	24
From Other Funds	513,940	419,139	-	-	-	-	933,079
Interest	1,627	1,486	28	284	11	-	3,436
Investments	23,367,563	26,050,207	332,869	3,478,757	142,632	3,080	53,375,108
Securities Lending Collateral	2,373,615	2,664,068	33,748	354,203	14,556	312	5,440,502
Noncurrent:							
Due From Employers	-	-	-	9,797	-	-	9,797
Total Assets	$ 26,274,736	$ 29,156,716	$ 366,902	$ 3,874,747	$ 157,277	$ 3,940	$ 59,834,318
Liabilities							
Accounts Payable and Accrued Liabilities	$ 29	$ 1,644	$ 19	$ -	$ -	$ -	$ 1,692
Securities Lending Obligation	2,373,615	2,664,068	33,748	354,203	14,556	312	5,440,502
Due to Other Funds	-	2,262	-	-	-	-	2,262
Total Liabilities	$ 2,373,644	$ 2,667,974	$ 33,767	$ 354,203	$ 14,556	$ 312	$ 5,444,456
Net Position							
Held in Trust For Employee							
Pension and Other Benefits	$ 23,901,092	$ 26,488,742	$ 333,135	$ 3,520,544	$ 142,721	$ 3,628	$ 54,389,862
Total Net Position	$ 23,901,092	$ 26,488,742	$ 333,135	$ 3,520,544	$ 142,721	$ 3,628	$ 54,389,862

Statement of Changes in Fiduciary Net Position

	State Employees'	State Teachers'	Judicial	Connecticut Municipal Employees'	Probate Judges'	Other	Total
Additions							
Contributions:							
Plan Members	$ 257,862	$ 368,299	$ 2,298	$ 46,010	$ 259	$ 34	$ 674,762
State	2,611,118	1,973,681	35,252	-	-	-	4,620,051
Municipalities	-	-	-	145,612	-	-	145,612
Total Contributions	2,868,980	2,341,980	37,550	191,622	259	34	5,440,425
Investment Income (loss)	2,603,092	2,872,610	36,936	389,712	16,055	397	5,918,802
Less: Investment Expenses	(180,920)	(199,710)	(2,529)	(26,603)	(1,100)	(23)	(410,885)
Net Investment Income	2,422,172	2,672,900	34,407	363,109	14,955	374	5,507,917
Transfer In	-	-	-	-	-	-	-
Other	21,118	9,958	-	-	2,717	-	33,793
Total Additions	5,312,270	5,024,838	71,957	554,731	17,931	408	10,982,135
Deductions							
Benefit Payments and Refunds	2,647,719	2,405,827	37,690	262,338	7,321	-	5,360,895
Other	-	-	155	1,652	-	7	1,814
Total Deductions	2,647,719	2,405,827	37,845	263,990	7,321	7	5,362,709
Changes in Net Position	2,664,551	2,619,011	34,112	290,741	10,610	401	5,619,426
Net Position Held in Trust For							
Pension and Other Employee Benefits							
Beginning of Year	21,236,541	23,869,731	299,023	3,229,803	132,111	3,227	48,770,436
End of Year	$ 23,901,092	$ 26,488,742	$ 333,135	$ 3,520,544	$ 142,721	$ 3,628	$ 54,389,862

Note 13
Other Postemployment Benefits (OPEB)

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

The State Comptroller's Healthcare Policy and Benefits Division under the direction of the Connecticut State Employees Retirement Commission administers the State Employee OPEB Plan. The membership of the commission is composed of the State Treasurer or designee, who is a nonvoting ex-officio member; fifteen trustees, including six trustees representing state employees; six trustees representing state management; two trustees who are professional actuaries and one neutral trustee who serves as chairman. Also, the State Comptroller, ex officio, serves as the nonvoting secretary. The Governor makes all appointments except the employee trustees who are selected by employee bargaining agents. Management and employee trustees make the appointments of the chairman and the actuarial trustee positions. The Teachers' Retirement Board administers the Retired Teachers' Healthcare Plan. None of these plans issue stand-alone statements, however, financial statements for these plans are presented in Note 14.

a. Plan Descriptions and Funding Policy
Membership of each plan consisted of the following to date of the latest actuarial information:

	SEOPEBP	RTHP
Inactive Members or their Beneficiaries receiving benefits	85,696	29,728
Inactive Members Entitled to but not yet Receiving Benefits	470	11,405
Active Members	50,078	52,200

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

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

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

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

b. Investments
The State Treasurer employs several outside consulting firms as external money and investment managers, to assist the Chief Investment Officer, as they manage the investment programs of the State Employee OPEB Plan. Plan assets are managed primarily

through assets allocation decisions with the main objective being to maximize investment returns over the long term at an acceptable level of risk. There is no concentration of investments in any one organization that represents 5.0 percent or more of plan net position available for benefits. The following is the asset allocation policy as of June 30, 2023, the measurement date.

Asset Class	SEOPEBP Target Allocation	SEOPEBP Long-Term Expected Real Rate of Return	RTHP Target Allocation	RTHP Expected 10 year Geometric Real Rate of Return
Global Equity	37.0%	6.8%	0.0%	0.0%
Public Credit	2.0%	2.9%	0.0%	0.0%
Core Fixed Income	13.0%	0.4%	0.0%	0.0%
Liquidity Fund	1.0%	-0.4%	0.0%	0.0%
Risk Mitigation	5.0%	0.1%	0.0%	0.0%
Private Equity	15.0%	11.2%	0.0%	0.0%
Private Credit	10.0%	6.1%	0.0%	0.0%
Real Estate	10.0%	6.2%	0.0%	0.0%
Infrastructure and Natural Resources	7.0%	7.7%	0.0%	0.0%
U. S. Treasuries (Cash Equivalents)	0.0%	0.0%	100.0%	3.3%

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

Net OPEB Liability

The components of the net OPEB liability as of June 30, 2023, the measurement date, were as follows (amounts in thousands):

Total Primary Government	SEOPEBP	RTHP
Total OPEB Liability	$ 18,266,067	$ 1,809,083
Fiduciary Net Position	2,667,443	215,733
Net OPEB Liability	$ 15,598,624	$ 1,593,350
Ratio of Fiduciary Net Position to Total OPEB Liability	14.6%	11.9%

Actuarial Assumptions

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

	SEOPEBP	RTHP
Inflation	2.5%	2.5%
Payroll Growth Rate	3.0%	0.5%
Salary Increase	3.0% to 11.5%	3.0% to 6.5%
Discount Rate	6.9% contributory, 3.7% non-contributory	3.6%
Investment Rate of Return	6.9%	3.0%, net of OPEB plan investment expense including price inflation.
Healthcare Cost Trend Rates	(0.4%), then 5.8% decreasing 0.3% yearly until 4.5% for medical 2.34%, then 6.5% decreasing 0.3% yearly until 4.5% for drugs 2.6%, 4.5%, then 3.0% yearly for dental 4.5% for Part B 1.9%, 3.3%, then 3.0% annually for administrative expense	6.5%,decreasing to ultimate rate of 4.5% by 2031

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

Mortality rates for the State Teachers' Retirement System were based on the Pub-T-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above) projected generationally with MP-2019 for the period after service retirement. The Pub-T-2010 Disabled Retiree Table projected generationally with MP-2019 was used for the period after disability retirement. The PubT-2010 Contingent Survivor Table projected generationally with MP-2019 and set forward 1 year for both males and females was used for survivors and beneficiaries. The Pub-T2010 Employee Table projected generationally with MP-2019 was used for active members.

Discount Rate

The discount rate used to measure the total OPEB liability for SEOPEBP and RTHP respectively, was 6.9 and 3.6 percent. The projection of cash flows used to determine the discount was performed in accordance with GASB 74.

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

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

	SEOPEBP		
	1% Decrease in Rate	Current Discount Rate	1% Increase in Rate
SEOPEBP:			
Primary Government Net OPEB Liability	$ 17,880,775	$ 15,379,328	$ 13,331,128
Component Units Net OPEB Liability	254,964	219,296	190,090
	RTHP		
	1% Decrease in Rate	Current Discount Rate	1% Increase in Rate
RTHP Net OPEB Liability	$ 1,931,852	$ 1,593,350	$ 1,326,570

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

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

	SEOPEBP		
	1% Decrease in Health Care Cost Trend Rates	Current Health Care Cost Trend Rate	1% Increase in Health Care Cost Trend Rates
SEOPEBP:			
Primary Government Net OPEB Liability	$ 13,312,336	$ 15,379,328	$ 17,916,270
Component Units Net OPEB Liability	189,822	219,296	255,470
	RTHP		
	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
RTHP Net OPEB Liability	$ 1,354,494	$ 1,593,350	$ 1,917,862

c. GASB Statement 75 Employer Reporting

Employer Contributions

The following table presents the primary government's and component units' contributions recognized by the OPEB plans at the reporting date June 30, 2024 (amounts in thousands):

	SEOPEBP	RTHP	Total
Primary Government	$ 838,556	$ 21,474	$ 860,030
Component Units	11,957	-	11,957
Total Employer Contributions	$ 850,513	$ 21,474	$ 871,987

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

As of the measurement date June 30, 2023, the primary government and component units reported net OPEB liabilities for the following plans administered by the State as follows (amounts in thousands):

	Primary Government	Component Units
Proportionate Share of the Net OPEB Liability		
State Employees' OPEB Plan	$ 15,379,328	$ 219,296
Net OPEB Liability		
Retired Teachers' Health Plan	1,593,350	-
Total Net OPEB Liability	$ 16,972,678	$ 219,296

The primary government's and component units' proportions of the collective net OPEB liability for the State Employees' OPEB Plan as of the measurement date June 30, 2023 as follows (amounts in thousands):

	Primary Government	Component Units
State Employees' OPEB Plan		
Proportion-June 30,2023	98.6%	1.4%

For the measurement date June 30, 2023, the primary government and component units recognized OPEB expense (income) for the following OPEB plan administered by the State as follows (amounts in thousands):

	Primary Government	Component Units
OPEB Expense (Income)		
State Employees' OPEB Plan	$ 192,261	$ 3,769
Retired Teachers' Health Plan	(187,707)	-
	$ 4,554	$ 3,769

Deferred Outflows and Inflows of Resources

As of the reporting date June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to the OPEB plans from the following sources:

	Primary Government		Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
State Employees' OPEB Plan				
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	$ 96,450	$ -	$ 1,375	$ -
Net Difference Between Expected and Actual Experience in the Total OPEB Liability	160,660	1,051,064	2,291	14,987
Change in Assumptions	1,314,973	4,731,765	18,750	67,470
Change in Proportion	29,936	40,286	31,162	20,812
Employer Contributions Subsequent to Measurement Date	761,097	-	8,776	-
Total	$ 2,363,116	$ 5,823,115	$ 62,354	$ 103,269
Retired Teachers' Health Plan				
Difference Between Expected and Actual Experience	$ 77,019	$ 1,005,889		
Change in Assumptions	350,585	289,446		
Differences between projected and actual earnings on plan investments	-	61,406		
Employer Contributions Subsequent to Measurement Date	21,765	-		
Total	$ 449,369	$ 1,356,741		

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

State Employees' OPEB Plan Year	Primary Government	Component Units
1	$ (1,284,273)	$ (22,249)
2	(1,717,981)	(23,080)
3	(1,024,754)	(7,501)
4	(188,132)	2,479
5	(5,956)	660
	$ (4,221,096)	$ (49,691)

Retired Teachers' Health Plan Year	Primary Government
1	$ (248)
2	(203)
3	(190)
4	(216)
5	(67)
Thereafter	(5)
	$ (929)

Changes in Net OPEB Liability

The following schedule presents changes in the State's OPEB liability and fiduciary net position for each plan for the measurement date June 30, 2023 (amounts in thousands):

Total OPEB Liability	SEOPEBP	RTHP
Service Cost	$ 621,327	$ 60,201
Interest	703,922	63,729
Difference between expected and actual experience	(1,001,199)	(166)
Changes of assumptions	830,424	(33,364)
Benefit payments	(626,743)	(52,458)
Net change in total OPEB liability	527,731	37,942
Total OPEB liability - beginning	17,738,336	1,771,141
Total OPEB liability - ending (a)	**$ 18,266,067**	**$ 1,809,083**
Plan fiduciary net position		
Contributions - employer	$ 850,513	$ 21,474
Contributions - member	147,572	57,687
Contributions - nonmember	-	14,420
Net investment income	185,773	7,569
Benefit payments	(626,743)	(52,458)
Administrative expense	-	(142)
Other	(129,809)	(373)
Net change in plan fiduciary net position	427,306	48,177
Plan fiduciary net position - beginning	**$ 2,240,137**	**$ 167,556**
Plan fiduciary net position - ending (b)	**$ 2,667,443**	**$ 215,733**
Net OPEB liability - ending (a)-(b)	**$ 15,598,624**	**$ 1,593,350**

d. Other OPEB Plan

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

Plan Description

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

Contributions

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

Note 14
OPEB Trust Funds Financial Statements

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

	Statement of Fiduciary Net Position			
	Retired Teacher Healthcare Plan	Policemen, Firemen, and Survivors' Benefits	State Employee OPEB Plan	Total
Assets				
Current:				
Cash and Cash Equivalents	$ 256,624	$ 175	$ 240,480	$ 497,279
Receivables:				
From Other Funds	2,262	-	-	2,262
Interest	-	6	-	6
Investments	-	53,559	2,919,371	2,972,930
Securities Lending Collateral	-	5,444	294,961	300,405
Total Assets	$ 258,886	$ 59,184	$ 3,454,812	$ 3,772,882
Liabilities				
Accounts Payable and Accrued Liabilities	$ 533	$ -	$ 20,830	$ 21,363
Securities Lending Obligation	-	5,444	294,961	300,405
Total Liabilities	$ 533	$ 5,444	$ 315,791	$ 321,768
Net Position				
Held in Trust For Employee				
Pension and Other Benefits	$ 258,353	$ 53,740	$ 3,139,021	$ 3,451,114
Total Net Position	$ 258,353	$ 53,740	$ 3,139,021	$ 3,451,114

	Statement of Changes in Fiduciary Net Position			
	Retired Teachers' Healthcare Plan	Policemen, Firemen, and Survivors' Benefits	State Employees' OPEB Plan	Total
Additions				
Contributions:				
Plan Members	$ 105,212	$ 723	$ 113,712	$ 219,647
State	21,765	-	769,873	791,638
Municipalities	-	939	-	939
Total Contributions	126,977	1,662	883,585	1,012,224
Investment Income (loss)	12,939	5,894	313,427	332,260
Less: Investment Expenses	-	(406)	(21,827)	(22,233)
Net Investment Income	12,939	5,488	291,600	310,027
Transfer In	-	-	12,909	12,909
Other	-	9	-	9
Total Additions	139,916	7,159	1,188,094	1,335,169
Deductions				
Administrative Expense	54,448	-	-	54,448
Benefit Payments and Refunds	42,848	1,404	579,768	624,020
Other	-	3	136,748	136,751
Total Deductions	97,296	1,407	716,516	815,219
Changes in Net Position	42,620	5,752	471,578	519,950
Net Position Held in Trust For				
Pension and Other Employee Benefits				
Beginning of Year	215,733	47,988	2,667,443	2,931,164
End of Year	$ 258,353	$ 53,740	$ 3,139,021	$ 3,451,114

Note 15
Leases, Subscription-Based Information Technology Agreements, and Private-Public Partnerships

State as Lessor

The State leases buildings, space, land, and equipment to private individuals. The State reported leases receivable and related deferred inflows of resources, lease revenues, and interest revenues related to leases as of June 30, 2024 is as follows (amounts in thousands):

Classification	Lease Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
Business-Type Activities	$ 6,072	$ 6,509	$ 2,741	$ 215
Component Units	$ 173,541	$ 162,583	$ 10,731	$ 6,823

Future principal and interest payment requirements in relation to the State's lease receivable as of June 30, 2024 were as follows (amounts in thousands):

	Business-Type Activities		Component Units	
Fiscal Year(s)	Principal	Interest	Principal	Interest
2025	$ 2,713	$ 114	$ 10,392	$ 6,480
2026	505	64	9,668	6,198
2027	502	52	9,403	5,919
2028	456	41	9,622	5,632
2029	1,236	31	9,973	6,330
2030 to 2034	263	121	51,771	21,897
2035 to 2039	218	62	35,236	13,633
2040 to 2044	151	27	31,597	4,814
2045 to 2049	28	1	1,817	1,246
2050 to 2054	-	-	2,547	703
2055 to 2059	-	-	1,515	97
Total	$ 6,072	$ 513	$ 173,541	$ 72,949

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

State as Lessee

The State leases office space, buildings, land, and equipment. Lease assets and accumulated amortization as of June 30, 2024 are as follows (amounts in thousands):

Classification	Net Asset Balance	Accumulated Amortization	Gross Asset Balance
Governmental Activities	$ 57,882	$ 40,194	$ 98,076
Business-Type Activities	$ 206,261	$ 53,561	$ 259,822
Component Units	$ 22,564	$ 4,834	$ 27,398

For the purposes of the present value calculation, the State uses the incremental discount rate based on the interest rate it would pay to borrow lease payments during the lease term. The discount rates applicable to the lease agreements ranged from 0.6 to 5.0 percent.

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

	Governmental Activities		Business-Type Activities		Component Units	
Fiscal Year(s)	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2025	$ 15,399	$ 197	$ 13,899	$ 7,026	$ 713	$ 1,199
2026	11,582	149	13,316	6,509	1,167	1,212
2027	8,682	111	11,890	6,039	1,168	1,171
2028	6,606	82	10,294	5,551	1,216	1,151
2029	5,451	58	8,580	5,158	1,315	1,128
2030 to 2034	9,628	82	34,271	21,561	17,238	13,344
2035 to 2039	1,046	8	20,438	16,271	-	-
2040 to 2044	77	-	17,704	12,629	-	-
2045 to 2049	-	-	15,422	9,874	-	-
2050 to 2054	-	-	19,317	7,451	-	-
2055 to 2059	-	-	24,482	4,345	-	-
2060 to 2064	-	-	17,873	820	-	-
Total	$ 58,471	$ 687	$ 207,486	$ 103,234	$ 22,817	$ 19,205

There are no significant residual payments excluded from the measurement of the lease liabilities. There are no significant outflows of resources recognized in fiscal year 2024 for residual payments, including residual value guarantees or termination penalties. There were no significant commitments under leases that existed before the commencement of the lease term; no significant losses associated with impairments; no significant sublease or sale-leaseback/lease-leaseback transactions; and no significant collateral as security.

Subscription-Based Information Technology Agreements (SBITAs)

The State entered into various SBITAs that convey control of the right to use vendor-provided software, alone or in combination with an underlying tangible IT capital asset. SBITAs entered into, or in place, during the fiscal year include various desktop and server software subscriptions; budgeting, accounting, and information system software; and document management software. SBITA right-to-use assets and accumulated amortization as of June 30, 2024, are as follows (amounts in thousands):

Classification	**Net Asset Balance**	**Accumulated Amortization**	**Gross Asset**
Governmental Activities	$ 29,169	$ 23,516	$ 52,685
Business-Type Activities	$ 54,908	$ 61,240	$ 116,148
Component Units	$ 970	$ 970	$ 1,940

Future principal and interest payment requirements in relation to the State of Connecticut's SBITAs as of June 30, 2024 are as follows (amounts in thousands):

	Governmental Activities		Business-Type Activities		Component Units	
Fiscal Year(s)	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2025	$ 13,914	$ 1,212	$ 21,735	$ 2,233	$ 647	$ -
2026	14,449	487	12,079	1,395	323	-
2027	818	82	7,172	867	-	-
2028	35	74	5,028	539	-	-
2029	37	72	2,406	358	-	-
2030 to 2034	212	332	4,519	399	-	-
2035 to 2039	272	273	-	-	-	-
2040 to 2044	349	196	-	-	-	-
2045 to 2049	447	111	-	-	-	-
2050 to 2054	158	6	-	-	-	-
2055 to 2059	-	-	-	-	-	-
2060 to 2064	-	-	-	-	-	-
2065 to 2069	-	-	-	-	-	-
Total	$ 30,691	$ 2,845	$ 52,939	$ 5,791	$ 970	$ -

Public-Private Partnerships (PPPs)

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

Utilizing an incremental borrowing interest rate of 5.0 percent, the State reported net present value receivables and related deferred inflows of resources, lease revenue, and interest revenues related to public-private partnership receivables as of June 30, 2024 as follows (amounts in thousands):

Classification	PPP Installment Receivable	Deferred Inflow of Resources	PPP Revenue	PPP Interest Revenue
Transportation and Governmental Activities	$ 45,693	$ 42,109	$ 2,005	$ 2,282

Future principal and interest payments requirements in relation to the State's public-private partnerships receivables as of June 30, 2024 are as follows (amounts in thousands):

Fiscal Year(s)	Principal	Interest
2025	$ 729	$ 2,271
2026	765	2,235
2027	803	2,197
2028	843	2,157
2029	885	2,115
2030 to 2034	7,892	9,608
2035 to 2039	12,820	7,180
2040 to 2044	19,100	3,400
2045 to 2049	1,856	92
Total	$ 45,693	$ 31,255

Note 16
Long-Term Liabilities

The following is a summary of changes in long-term debt of the primary government for the year ended June 30, 2024 (amounts in thousands):

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within one year
Bonds:					
General Obligation	$ 17,622,398	$ 1,634,235	$ 2,324,952	$ 16,931,681	$ 1,666,372
Direct Borrowings and Direct Placements	246,845	-	15,790	231,055	15,790
Transportation	7,450,865	1,224,005	814,860	7,860,010	463,205
	25,320,108	2,858,240	3,155,602	25,022,746	2,145,367
Plus (Less) Premiums	2,533,691	223,333	259,957	2,497,067	255,520
Total Bonds	27,853,799	3,081,573	3,415,559	27,519,813	2,400,887
Other Long-Term Liabilities: [1]					
Net Pension Liability (Note 10)	40,357,050	7,507,841	10,015,604	37,849,287	-
Net OPEB Liability (Note 13)	16,901,786	2,429,877	2,358,985	16,972,678	-
Compensated Absences	561,100	17,376	826	577,650	19,359
Workers' Compensation	816,521	9,738	19,640	806,619	22,422
Lease Liabilities	64,918	9,171	15,618	58,471	15,399
Subscription Liabilities	30,825	12,294	12,428	30,691	13,914
Claims and Judgments	38,665	6,278	12,624	32,319	9,290
Landfill Post Closure Care	24,718	-	2,415	22,303	2,415
Contracts Payable & Other	705	-	-	705	-
Non-exchange Financial Guarantees	371,220	-	33,840	337,380	31,430
Total Other Liabilities	59,167,508	9,992,575	12,471,980	56,688,103	114,229
Governmental Activities Long-Term Liabilities	$ 87,021,307	$ 13,074,148	$ 15,887,539	$ 84,207,916	$ 2,515,116

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

Business-Type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within one year
Revenue Bonds	$ 1,183,300	$ 97,140	$ 82,815	$ 1,197,625	$ 83,405
Plus/(Less) Premiums and Discounts	129,590	3,856	11,547	121,899	1,132
Total Revenue Bonds	1,312,890	100,996	94,362	1,319,524	84,537
Compensated Absences	196,116	53,493	49,069	200,540	60,514
Federal Loan	4,101	374	845	3,630	729
Lease Liabilities	180,921	39,612	13,047	207,486	13,899
Subscription Liabilities	59,856	19,237	26,154	52,939	21,735
Other	287,394	11,605	73,968	225,031	25,534
Total Other Liabilities	728,388	124,321	163,083	689,626	122,411
Business-Type Long-Term Liabilities	$ 2,041,278	$ 225,317	$ 257,445	$ 2,009,150	$ 206,948
Primary Government Long-Term Liabilities	$ 89,062,585	$ 13,299,465	$ 16,144,984	$ 86,217,066	$ 2,722,064

The liability for claims and judgments (Governmental Activities) includes a pollution remediation liability of approximately $21.8 million. This liability represents the State's share of the cost of cleaning up certain polluted sites in the state under federal and state superfund regulations. The liability was estimated using the cash flow technique and could change over time due to changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation effort. In addition, there are other polluted sites in the state that require remedial action by the State that will result in additional cleanup costs. The State did not recognize a liability for these costs at year end because it could not be reasonably estimated.

As of June 30, 2024, long-term debt of component units consisted of the following (amounts in thousands):

Long-Term Debt	Balance June 30, 2024	Amounts Due within Year
Bonds Payable (indudes premiums/ discounts)	$ 5,378,980	$ 388,421
Escrow Deposits	298,836	135,026
Annuities Payable	116,749	4,447
Rate Swap Liability	-	-
Net Pension Liability	161,054	-
Net Post Employment Liability	219,296	-
Lease Liability	22,104	713
Subcription Liability	970	647
Other	33,376	859
Total	$ 6,231,365	$ 530,113

Some component units report OPEB liabilities with adjustments from what the State reports; therefore, the notes show a higher liability for OPEB of $5.5 million than the financial statements.

Landfill Closure and Postclosure Care

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

By the end of the year ended June 30, 2015, all work associated with the closure of the five landfills was completed. Going forward DEEP is required to reimburse the authority for all postclosure care obligations as the five landfills are now certified as closed. All landfill expense reimbursements paid by DEEP totaled $2,414.6 million in fiscal year 2024.

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

Note 17
Long-Term Notes and Bonded Debt

a. Primary Government – Governmental Activities
General Obligation Bonds

General Obligation bonds are those bonds that are paid out of the revenues of the General Fund and are supported by the full faith and credit of the State. General Obligation bonds outstanding and bonds authorized but unissued as June 30, 2024, were as follows (amounts in thousands):

Purpose of Bonds	Final Dates	Original Rates	Outstanding	Authorized But Unissued
Capital Improvements	2025 to 2043	0.5 to 5.6%	$ 3,744,924	$ 869,931
School Construction	2025 to 2043	2.0 to 5.6%	4,347,930	168,000
Municipal & Other Grants & Loans	2025 to 2036	0.3 to 5.6%	2,974,274	1,743,843
Housing Assistance	2025 to 2035	1.9 to 5.4%	794,057	705,663
Elimination of Water Pollution	2025 to 2038	3.0 to 5.1%	347,225	34
General Obligation Refunding	2025 to 2038	1.5 to 5.0%	2,703,155	-
Pension Obligation	2025 to 2032	5.7 to 6.3%	1,908,977	-
Miscellaneous	2025 to 2034	3.5 to 5.0%	31,571	5,000
			16,852,113	$ 3,492,471
Accretion-Various Capital Appreciation Bonds			79,568	
		Total	$ 16,931,681	

Future amounts needed to pay principal and interest on as General Obligation bonds outstanding as June 30, 2024, were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2025	$ 1,666,372	$ 844,717	$ 2,511,089
2026	1,642,395	688,782	2,331,177
2027	1,597,785	613,775	2,211,560
2028	1,517,155	538,896	2,056,051
2029	1,490,285	467,130	1,957,415
2030 to 2034	5,744,435	1,357,401	7,101,836
2035 to 2039	2,417,475	418,789	2,836,264
2040 to 2044	776,211	71,367	847,578
Total	$ 16,852,113	$ 5,000,857	$ 21,852,970

Direct Borrowing and Direct Placements

On June 28, 2017, the State issued direct placement debt raising cash from a non-public offering based on a contractual agreement. The State entered into the agreement to take advantage of various favorable terms and at a substantially lower cost than if the State used a traditional public offering. Direct placement debt outstanding as of June 30, 2024 is as follows (amounts in thousands):

Type of debt	Final Maturity Dates	Original Interest Rates	Amount Outstanding
Direct Placements	2037	2.5%	$ 231,055

Future amounts required to pay principal and interest on direct borrowings and direct placements outstanding as June 30, 2024 were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2025	$ 15,790	$ 8,341	$ 24,131
2026	15,790	7,782	23,572
2027	15,790	7,211	23,001
2028	42,500	6,649	49,149
2029	15,790	5,097	20,887
2030 to 2034	91,445	14,637	106,082
2035 to 2039	33,950	2,212	36,162
Total	$ 231,055	$ 51,929	$ 282,984

GO Demand Bonds

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

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

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

Term out funding would commence on the 271st day following the bank purchase date. The outstanding bank bonds would be amortized on a quarterly basis for a three-year period as shown below. The interest on the bonds would be calculated at a rate determined per the Standby Bond Purchase Agreement (base rate plus 1.0 percent). For example, at the end of fiscal year 2024, the calculated rate was 6.0 percent, based on the terms of the agreement. The standby bond purchase agreement expires on June 12, 2025. The agreement could be terminated at an earlier date if certain termination events described in the agreement were to occur. As of June 30, 2024, the amount of demand bonds outstanding was $229.5 million. The table below shows the debt service requirements should the bond holders exercise their option in the full amount of the outstanding demand bonds.

Fiscal Year	Beginning Banked Bonds Outstanding	Principal	Interest	Total Debt Service	Ending Bank Bonds Outstanding
First	$ 229,475,000	$ 80,488,333	$ 12,676,913	$ 93,165,246	$ 148,986,667
Second	148,986,667	80,488,333	7,847,613	88,335,946	68,498,334
Third	68,498,334	68,498,334	3,018,313	71,516,647	-

Transportation Related Bonds

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

Transportation Related bonds outstanding and bonds authorized but unissued as June 30, 2024, were as follows (amounts in thousands):

Purpose of Bonds	Final Maturity Dates	Original Interest Rates	Amount Outstanding	Authorized But Unissued
Infrastructure				
Improvements	2030 to 2044	1.8 to 5.7%	$ 6,957,855	$ 6,100,000
STO Refunding	2026 to 2035	2.0 to 5.0%	902,155	-
			7,860,010	$ 6,100,000
Accretion-Various Capital Appreciation Bonds			-	
		Total	$ 7,860,010	

Future amounts required to pay principal and interest on transportation related bonds outstanding at June 30, 2024, were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2025	$ 463,205	$ 390,759	$ 853,964
2026	479,925	355,837	835,762
2027	491,075	331,320	822,395
2028	511,475	305,988	817,463
2029	525,575	279,768	805,343
2030 to 2034	2,509,015	1,015,313	3,524,328
2035 to 2039	2,004,280	447,142	2,451,422
2040 to 2044	875,460	96,163	971,623
	$ 7,860,010	$ 3,222,290	$ 11,082,300

b. Primary Government – Business–Type Activities

Revenue Bonds

Revenue bonds are those bonds that are paid out of resources pledged in the Enterprise funds and Component Units. Enterprise funds' revenue bonds outstanding as June 30, 2024, were as follows (amounts in thousands):

Funds	Final Maturity Dates	Original Interest Rates	Amount Outstanding
UConn	2025 to 2054	3.0 to 5.5%	$ 271,540
Board of Regents	2025 to 2040	0.4 to 5.0%	257,955
Clean Water	2025 to 2039	1.0 to 5.0%	555,300
Drinking Water	2025 to 2039	1.0 to 5.0.%	112,830
Total Revenue Bonds			1,197,625
Plus/(Less) premiums and discounts:			
UConn			19,318
Board of Regents			9,063
Clean Water			75,414
Drinking Water			18,104
Revenue Bonds, net			$ 1,319,524

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

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

In 1994, the State of Connecticut began issuing Clean Water Fund revenue bonds. The proceeds of these bonds are to be used to provide funds to make loans to Connecticut municipalities for use in connection with the financing or refinancing of wastewater treatment projects. Details on these agreements are disclosed under the separately issued audited financial statements of the fund. Future amounts needed to pay principal and interest on revenue bonds outstanding as June 30, 2024, were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2025	$ 83,405	$ 52,931	$ 136,336
2026	89,500	49,028	138,528
2027	82,915	44,935	127,850
2028	76,910	41,226	118,136
2029	89,005	37,755	126,760
2030 to 2034	393,455	135,489	528,944
2035 to 2039	245,385	62,656	308,041
2040 to 2044	54,430	28,543	82,973
2045 to 2049	54,490	14,254	68,744
2050 to 2054	28,130	4,038	32,168
Total	$ 1,197,625	$ 470,855	$ 1,668,480

c. Component Units

Component Units' revenue bonds and notes outstanding as June 30, 2024, were as follows (amounts in thousands):

Component Unit	Final Maturity Date	Interest Rates	Amount Outstanding
CT Housing Finance Authority	2024 to 2066	0.0 to 6.3%	$ 4,774,736
CT Student Loan Foundation	2046	0.01 to 1.7%	55,475
CT Higher Education Supplemental Loan Authority	2035 to 2040	3.3 to 5.0%	161,285
CT Airport Authority	2024 to 2054	2.8 to 5.0%	214,375
CT Regional Development Authority	2024 to 2034	1.0 to 5.0%	54,555
CT Green Bank	2024 to 2038	0.2 to 7.0%	62,361
Total Revenue Bonds			5,322,787
Plus/(Less) premiums and discounts:			
CHFA			47,152
CSLF			(73)
CHESLA			5,251
CAA			2,752
CT Green Bank			(45)
CRDA			1,156
Revenue Bonds, net			$ 5,378,980

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

Connecticut Housing Finance Authority's revenue bonds are issued to finance the purchase, development, and construction of housing for low and moderate-income families and persons throughout the State. The Authority has issued bonds under a bond resolution dated September 27, 1972; a special needs indenture dated September 25, 1995, and other bond resolutions dated October 2009. As of December 31, 2023, bonds outstanding under the bond resolution, the indenture, and other bond resolutions were $4.66 billion, $59.0 million, and $53.6 million, respectively. According to the bond resolution, the following assets of the Authority are pledged for the payment of the bond principal and interest (1) the proceeds from the sale of bonds, (2) all mortgage repayments with respect to long-term mortgage and construction loans financed from the Authority's General fund, and (3) all monies and securities of the Authority's General and Capital Reserve funds. The resolution and indenture Capital Reserve funds are required to be maintained at an amount at least equal to the amount of principal, sinking fund installments, and interest maturing and becoming due in any succeeding calendar year on all outstanding bonds. The required reserves are $363.8 million per the resolution and $5.0 million per the indenture as December 31, 2023. As of December 31, 2023, the Authority has entered into interest rate swap agreements for $924.8 million of its outstanding variable rate bonds. Details on these agreements are disclosed under the separately issued audited financial statements of the Authority. Materials Innovation and Recycling Authority's revenue bonds are issued to finance the design, development and construction of resources recovery and recycling facilities and landfills throughout the State. These bonds are paid solely from the revenues generated from the operations of the projects and other receipts, accounts and monies pledged in the bond indentures.

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

Capital Reserves

Each Authority has established special capital reserve funds that secure all the outstanding bonds of the Authority at year-end. These funds are usually maintained at an amount equal to next year's bond debt service requirements. The State may be contingently liable to restore any deficiencies that may exist in the funds in any one year if the Authority is unable to do so.

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

Future amounts needed to pay principal and interest on Component Unit revenue bonds outstanding as June 30, 2024, were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2025	$ 211,041	$ 183,493	$ 394,534
2026	204,334	182,124	386,458
2027	209,205	175,384	384,589
2028	199,994	168,439	368,433
2029	206,538	161,512	368,050
2030 to 2034	1,100,662	697,584	1,798,246
2035 to 2039	984,472	514,538	1,499,010
2040 to 2044	789,082	356,589	1,145,671
2045 to 2049	909,210	196,096	1,105,306
2050 to 2054	419,799	62,323	482,122
2055 to 2059	55,860	13,701	69,561
2060 to 2064	26,025	3,726	29,751
2065 to 2069	6,565	433	6,998
	$ 5,322,787	$ 2,715,942	$ 8,038,729

Conduit Debt

As of June 30, 2024, the Connecticut Health and Educational Facilities Authority had total outstanding principal balances of special obligation bonds of $8.7 billion. The bonds are issued on behalf of institution to finance the construction of various health and education facilities. These bonds are conduit debt obligations of CHEFA and do not constitute obligations of CHEFA. Therefore, these bonds are not reported with CHEFA's statement of net position. The significant loan programs that comprise the total outstanding bonds are as follows (amounts in thousands):

Program	Principal Balance
Childcare	$ 33,617
Connecticut State University System	257,955
Higher Education	4,659,524
Hospitals	2,132,374
Social and Other	439,149
Independent Schools	756,482
Senior Living	427,182
Total	$ 8,706,283

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

CHEFA also had a total of $4.48 billion of principal outstanding in relation to the EZ Loan program, all of which is within the hospital sector. The loans are issued on behalf of not for profits to finance equipment. These loans are conduit debt obligations of CHEFA and do not constitute obligations of CHEFA. Therefore, these loans are not reported within CHEFA's statement of net position.

As of December 31, 2023, the Connecticut Housing and Finance Authority had total outstanding principal balances of conduit debt obligations of $81.4 million. The programs that comprise the total outstanding conduit debt are as follows (amounts in thousands):

Program	Principal Balance
Multifamily Housing Revenue Bonds	$ 24,941
Multifamily Housing Revenue Notes	2,786
State-Supported Special Obligation Bonds	53,625
Total	$ 81,352

No-commitment Debt

Under the Self-Sustaining Bond program, acquired from its combination with the Connecticut Development Authority, Connecticut Innovations, Inc., issues revenue bonds to finance such projects as described previously in the Component Unit section of this note. These bonds are paid solely from payments received from participating companies (or from proceeds of the sale of the specific projects in the event of default) and do not constitute a debt or liability of the Authority or the State. Thus, the balances are not included in the Authority's financial statements. Total bonds outstanding for the year ended June 30, 2024 were $225.4 million.

The Connecticut Health and Educational Facilities Authority has issued Special Obligation bonds for which the principal and interest are payable solely from the revenues of the institutions. Starting in 1999, the Authority elected to remove these bonds and related restricted assets from its financial statements, except for restricted assets for which the Authority has a fiduciary responsibility. Total Special Obligation bonds outstanding as of June 30, 2024, were $8,706.3 million, of which $258.0 million was secured by special capital reserve funds.

d. Debt Refundings

During the fiscal year the State issued General Obligation and Special Tax Obligation bonds of $658.7 million at an average coupon interest rate of 3.3 percent to refund $713.0 million of General Obligation and Special Tax Obligation bonds. The State reduced its fund level debt service payments by $61.7 million over the next six years.

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

e. Nonexchange Financial Guarantee

In March 2018, the State entered a Contract for Financial Assistance with the City of Hartford, according to Section 376 of Public Act 17-2 of the June Special Session guaranteeing $540,080,000 of outstanding general obligation bonds of the City of Hartford, with maturity dates ranging from July 1, 2028 through July 15, 2035, and semiannual interest payments. The contract assistance is limited to an amount equal to (1) the annual debt service on the outstanding amount of (A) refunding bonds to be issued by the City of Harford pursuant to section 7-370c of the general statues, or (B) any other bonds or notes issued by the City of Hartford, provided such refunding bonds or other bonds or notes are for payment, funding, refunding, redemption, replacement or substitutions of bonds, notes or other obligations previously issued by the City of Hartford, and (2) cost of issuance on any such refunding bonds and any other expenses that result directly from the refunding of debt. The Act also establishes that the City of Hartford must be under the supervision of the Municipal Accountability Review Board of the State and that the City may not issue any new debt without the board's approval. The State Representatives, defined by the contract as the Secretary of the Office of Policy and Management and the State Treasurer, may agree to provide credit support to the City of Hartford, including, but not limited to, assuming all or part of any bonds, notes, or other obligations of the City or issuance of new State obligations in replacement of such bonds, notes, or other obligations, provided such credit support does not exceed the amount of contract assistance that could otherwise be provided by the State to the City.

In April 2018, because of the possibility that the City of Hartford would declare bankruptcy, the State began making contract assistance payments for the City of Hartford's then outstanding $540.0 million general obligation debt. During fiscal year 2024, the State of Connecticut has paid $33.8 million in principal and $16.0 million in interest on the guarantee.

The liability recognized for nonexchange financial guarantees by the State at June 30, 2024 is as follows (amounts in thousands):

Beginning of Year	Increases	Decreases	End of Year
$ 371,220	$ -	$ 33,840	$ 337,380

Note 18
Risk Management

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

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

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

For the risk of theft, of damage to, or destruction of assets (particularly in the automobile fleet), the State insures only leased cars and vehicles valued at more than $100,000. When purchasing commercial insurance, the State may retain some of the risk by assuming a deductible or self-insured retention amount in the insurance policy. This amount varies greatly because the State carries many insurance policies covering various risks. The highest deductible or self-insured retention amount assumed by the State is $25.0 million, which is carried in a railroad liability policy.

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

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

	Governmental Activities	Business-Type Activities
	Workers' Compensation	Medical Malpractice
Balance 6-30-22	$ 813,349	$ 42,458
Incurred claims	36,508	14,097
Paid claims	(33,336)	(6,848)
Balance 6-30-23	816,521	49,707
Incurred claims	9,738	10,000
Paid claims	(19,640)	(49,509)
Balance 6-30-24	$ 806,619	$ 10,198

Note 19
Interfund Receivables and Payables

Interfund receivable and payable balances as June 30, 2024, were as follows (amounts in thousands):

	Balance due to fund(s)											
	General	Transportation	Restricted Grants & Accounts	Grant & Loan Programs	Other Governmental	UConn/ UConn Health	Board of Regents	Employment Security	Internal Services	Fiduciary	Component Units	Total
Balance due from fund(s)												
General	$ -	$ -	$ -	$ -	$ 1,065	$ 1,312	$ 23,746	$ 2,189	$ 8,581	$ 930,270	$ 13	$ 967,176
Debt Service	-	7,225	-	-	-	-	-	-	-	-	-	7,225
Restricted Grants and Accounts	3,587	-	-	-	-	-	-	-	-	-	6,886	10,473
Grant and Loan Programs	23	-	-	-	-	-	-	-	-	-	-	23
Other Governmental	3,177	-	-	-	7,841	5,062	61,673	-	-	-	-	77,753
UConn/UConn Health	24,201	-	-	-	-	-	-	-	-	-	-	24,201
Board of Regents	347	-	-	-	-	-	-	-	-	-	-	347
Employment Security	-	-	-	-	310	-	-	-	-	-	-	310
Clean Water	-	-	-	-	7,895	-	-	-	-	-	-	7,895
Other Proprietary	-	-	-	-	10,480	-	-	-	-	-	-	10,480
Internal Services	35,942	-	-	-	-	-	-	-	-	-	-	35,942
Fiduciary	-	-	-	-	-	-	-	-	-	-	-	-
Component Units	70,256	-	-	-	-	-	-	-	-	-	-	70,256
Total	$ 137,533	$ 7,225	$ -	$ -	$ 27,591	$ 6,374	$ 85,419	$ 2,189	$ 8,581	$ 930,270	$ 6,899	$ 1,212,081

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

Note 20
Interfund Transfers

Interfund transfers for the fiscal year ended June 30, 2024, consisted of the following (amounts in thousands):

	Amount transferred to fund(s)												
	General	Debt Service	Transportation	Restricted Grants and Accounts	Grants and Loans	Other Governmental	UConn/ UConn Health	Board of Regents	Clean Water and Drinking Water	Employment Security	Component Units	Fiduciary Funds	Total
Amount transferred from fund(s)													
General	$ 764,551	$ 44,782	$ 28,239	$ -	$ -	$ 1	$ 596,065	$ 434,323	$ -	$ -	$ 464	$ 412,409	$ 2,280,834
Debt Service	-	-	60,299	-	-	-	-	-	-	-	-	-	60,299
Transportation	-	868,250	-	-	-	-	-	-	-	-	-	-	868,250
Restricted Grants & Accounts	68	-	-	-	-	-	-	-	-	-	-	-	68
Grants and Loans	-	-	-	20,341	-	47,194	-	-	-	-	-	-	67,535
Other Governmental	680,875	-	-	78,086	-	156,365	42,000	64,071	3,035	-	-	-	1,024,432
UConn/UConn Health	-	-	-	-	-	-	-	-	-	-	-	-	-
Board of Regents	-	-	-	-	-	-	-	-	-	-	-	-	-
Clean Water and Drinking Water	-	-	-	-	-	200	-	-	-	-	-	-	200
Employment Security	4,370	-	-	-	-	4,784	-	-	-	-	-	-	9,154
Component Units	-	-	-	-	-	-	-	-	-	-	-	268	268
Fiduciary Funds	-	-	-	-	-	-	-	-	-	-	-	12,909	12,909
Total	$ 1,449,864	$ 913,032	$ 88,538	$ 98,427	$ -	$ 208,544	$ 638,065	$ 498,394	$ 3,035	$ -	$ 464	$ 425,586	$ 4,323,949

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

Note 21
Restatement of Net Position, Fund Balance Classifications, and Restricted Net Position

Fund Balance – Restricted and Assigned
As of June 30, 2024, restricted and assigned fund balances of nonmajor governmental funds were comprised as follows (amounts in thousands):

	Restricted Purposes	Assigned Purposes
Capital Projects	$ 231,870	$ -
Environmental Programs	72,361	-
Housing Programs	745,950	-
Employment Security Administration	65,514	-
Banking	55,879	-
Other	117,860	65,085
Total	$ 1,289,434	$ 65,085

Restricted Net Position
As of June 30, 2024, the government-wide statement of net position reported $8,083.7 million of restricted net position, of which $1,362.9 million was restricted by enabling legislation.

During the fiscal year ended June 30, 2024, the Capital Region Development Authority (CRDA), a component unit of the State, determined that pension and OPEB liabilities and related deferred inflows and outflows were not reported in prior years. CRDA restated its fiscal year 2023 statements to account for this, which impacted the beginning fund balance for fiscal year 2024. Additional information can be found in CRDA's stand-alone statement.

Note 22
Tax Abatements

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

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

Beginning after January 1, 2010, (a) an eligible production company that incurs production expenses of not less than $100,000, but not more than $500,000, will be eligible for a credit against the tax imposed equal to ten percent of such production expenses, (b) a production company incurring expenses of more than $500,000, but not more than $1.0 million, will be eligible for a credit against the tax imposed equal to fifteen percent of production expenses, and (c) a production company incurring expenses of more than $1.0 million will be eligible for a credit against the tax imposed (chapter 207, section 12-217jj) equal to thirty percent of production expenses.

No eligible company incurring an amount of production expenses that qualifies for a tax credit shall be eligible unless on or after January 1, 2010, the company conducts (1) not less than 50.0 percent of principal filming days within the state, or (2) expends not less than 50.0 percent of postproduction costs within the state, or (3) expends not less than $1.0 million of postproduction costs within the State.

An eligible production company shall apply to the Department of Economic and Community Development (DECD) for a tax credit voucher on an annual basis, but not later than 90 days after the first production expenses are incurred in the production of a qualified production and will provide with the application information that DECD may require to determine if the company is eligible to claim a credit.

Urban and Industrial Sites Reinvestment Tax Program
This tax program is designed to encourage development and redevelopment activities in eligible communities and to encourage private investment in contaminated properties.

In accordance with Chapter 578 section 32-9t of the General Statutes taxpayers who make investments in eligible urban reinvestment projects or eligible industrial site investment projects may be allowed a tax credit against the tax imposed under chapter 207 and 212a or section 38a-

743 in the General Statutes, an amount equal to the following percentage of approved investments made by or on behalf of a taxpayer with respect to the following income years of the taxpayer: (a) the income year in which the investment in the project was made and the next two succeeding income years, 0.0 percent; (b) in the third full income year succeeding the year in which the investment was made and the three succeeding years, ten percent; (c) in the seventh full income year succeeding the year in which the investment in the eligible project was made and the next two succeeding years, twenty percent. The sum of all tax credits shall not exceed $100.0 million to a single eligible urban reinvestment project, or a single eligible industrial site investment project approved by the commissioner at DECD. The sum of all tax credits under the provisions of this section should not exceed $950.0 million.

Tax credits allowed may be claimed by a taxpayer who has made an investment (1) directly only if the investment has a total asset value, either alone or combined with other investors in an eligible project, of not less than $5.0 million or, in the case of an investment in an eligible project for the preservation of a historic facility and redevelopment of the facility for combined uses which includes at least four housing units, the total asset value should not be less than $2.0 million; (2) an investment managed through a fund manager only if such fund: (a) has a total asset value of not less than $60.0 million for the income year for which the initial credit is taken; and (b) has not less than three investors who are not related persons with respect to each other or to any person in which any investment is made other than through the fund at the date the investment is made; or (3) through a community development entity or a contractually bound community development entity. A tax credit made through a fund should only be available for investments in funds that are not open to additional investments beyond the amount set forth at the formation of the fund.

Insurance Reinvestment Fund Program

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

In accordance with Chapter 698 section 38a-88 a tax credit is allowed against the tax imposed under chapter 207, 208, or 229 or section 38a-343 an amount equal to the following percentage of the moneys the taxpayer invested through a fund manager in an insurance business with respect to the following income years of the taxpayer: (a) in the initial income year in which the investment in the insurance business was made and two succeeding income years, 0.0 percent; (b) with respect to the third full income year in which the investment in the insurance business was made and the next three succeeding income years, 10.0 percent: (c) in the seventh full income year succeeding the year in which the investment in the insurance business was made and the next two succeeding income years, 20.0 percent. The sum of all tax credits shall not exceed $15.0 million with respect to investment made by a fund or funds in any single insurance business, and with respect to all investments made by a fund shall not exceed the total amount originally invested in the fund. A fund manager may apply to the Commissioner of DECD for a credit that is greater than the limitations established by law.

The tax credit allowed may be claimed by a taxpayer who has invested in an insurance business through a fund (a) which has total assets of not less than $30.0 million for the income year for which the initial credit is taken; (b) has not less than three investors who are not related persons with respect to each other or to any insurance business in which any investment is made other than through the fund at the date the investment is made; and (c) which invests only in insurance businesses that are not related persons to each other.

The credit allowed may only be claimed with respect to an insurance business which (a) occupies the new facility for which an eligibility certificate has been issued by the Commissioner of DECD, or the certificate has been issued as its home office, and (b) employs not less than 25.0 percent of its total work force in new jobs. The maximum allowed credit shall be $350.0 million in total and $40.0 million per year.

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

The Neighborhood Assistance Act tax credit may be earned by businesses that make cash investments of at least $250 to certain community programs. The cash investments must be made in a community program that is proposed and conducted by a tax exempt or municipal agency and must be approved both by the municipality in which the program is conducted and the Department of Revenue Services.
This tax credit may be applied against the taxes imposed under Chapters 207, 208, 209, 210, 211, and 212 of the Connecticut General Statutes.

A tax credit equal to 100.0 percent of the cash invested is available to businesses that invest in energy conservation projects and comprehensive college access loan forgiveness programs. A tax credit equal to 60.0 percent of the cash invested is available to businesses that invest in programs that provide: community-based alcoholism prevention or treatment programs; neighborhood assistance; job training; education; community services; crime prevention; construction or rehabilitation of dwelling units for families of low and moderate income in the state; funding for open space acquisitions; investment in child day care facilities; child care services; and any other program which serves persons at least 75.0 percent of whom are at an income level not exceeding 150.0 percent of the poverty level for the preceding year.

Under the Connecticut Neighborhood Assistance Act there are several statutory limits which must be observed, including the following: (1) the total tax credits under the Neighborhood Assistance Act tax credit program are limited to $150,000 annually for each business. The tax credit for investments in child day care facilities may not exceed $50,000 per income year for each business; (2) the minimum contribution on which a tax credit can be granted is $250; (3) any organization conducting a program or programs eligible to receive contributions under the Neighborhood Assistance Act tax credit program is limited to receiving a total of $150,000 of funding for any program or programs for any fiscal year; (4) the cap on the total amount of credits that may be allowed annually is $5.0 million. If the proposals submitted to the Department of Revenue Services claim credits in excess of the cap, such credits will be prorated among the approved organizations; (5) no business shall receive both the Neighborhood Assistance tax credit and the Housing Program Contribution tax credit for the same cash contribution; (6) no business can claim the tax credit for investments in child care facilities in an income year that the business claims the Human Capital Investment tax credit; (7) carryforward and carryback limitations, no carryforward is allowed any tax credit that is not taken in the income year in which the investment was made may be carried back to the two immediately preceding income years.

Housing Program Contributions

A tax credit administered by the Connecticut Housing Finance Authority is available for business firms making cash contributions to housing programs developed, sponsored, or managed by a nonprofit corporation, which benefit low and moderate income persons or families. No credit may be claimed before the Connecticut Housing Finance Authority issues a tax credit voucher.

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

This tax credit is equal to the amount specified by the Connecticut Housing Finance Authority in the tax credit voucher. No tax credit shall be granted to any business firm for any individual amount contributed of less than $250. The tax credit may be carried forward or backward for the five immediately succeeding or preceding income years until the full credit has been allowed.

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

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

A tax credit administered by the Connecticut Department of Economic and Community Development is available to an owner rehabilitating a certified historic structure for residential use or to a taxpayer named by the owner as contributing to the rehabilitation. No credit may be claimed before the Department of Economic and Community Development issues a tax credit voucher. The tax credit may be applied against the taxes imposed under Chapters 207, 208, 209, 210, 211, and 212 of the Connecticut General Statutes.

This tax credit is equal to the lesser of the tax credit reserved upon certification of the rehabilitation plan or 25.0 percent of the actual qualified rehabilitation expenditures not exceeding $2.7 million. The amount of the tax credit that may be claimed will be entered on the tax credit voucher issued by the Department of Economic and Community Development. The tax credit may be carried forward for five years following the year in which the rehabilitated structure was placed in service. No carryback is allowed.

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

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

A tax credit administered by the Connecticut Department of Economic and Community Development is available to an owner rehabilitating a qualified historic structure for nonresidential use or mixed residential and nonresidential use or a taxpayer named by the owner as contributing to the rehabilitation. No credit may be claimed before the Department of Economic and Community Development issues a tax credit voucher. This tax credit may be applied against the taxes imposed under Chapters 207, 208, 209, 210, 211, and 212 of the Connecticut General Statutes.

This tax credit is equal to the lesser of 25.0 percent of the projected certified rehabilitation expenditures or 25.0 percent of the actual certified rehabilitation expenditures. If the project creates affordable housing units and the owner provides the Department of Economic and Community Development and the Department of Housing information to show that the owner is compliant with the affordable housing certificate, then the tax credit is equal to the lesser of 30.0 percent of the projected certified rehabilitation expenditures or 30.0 percent of the actual qualified rehabilitation expenditures. The maximum tax credit allowed for any project shall not exceed $5.0 million for any fiscal three-year period.

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

A tax credit administered by the Connecticut Department of Economic and Community Development is available for the qualified rehabilitation expenditures associated with the certified rehabilitation of a certified historic structure. No credit may be claimed until the Department of Economic and Community Development issues a tax credit voucher. This tax credit can be used to offset the taxes imposed under Chapters 207, 208, 209, 210, 211, or 212 of the Connecticut General Statutes.

The tax credit is equal to 25.0 percent of the total qualified rehabilitation expenditures. The tax credit increases to 30.0 percent of the total qualified rehabilitation expenditures if the project includes a component with at least 20.0 percent of the rental units or ten percent of for-sale units qualify as affordable housing under Conn. Gen. Stat. §8-39a. The tax credit allowed for any project shall not exceed $4.5 million. The tax credit may be carried forward for five succeeding income years following the year in which the substantially rehabilitated structure was placed in service. No carryback is allowed.

Research and Development Expenditures

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

In accordance with Sec. 12-217n a tax credit may be applied against the Corporation Business Tax for research and development expenses conducted in Connecticut. A small business qualifies for the credit if it has gross income for the previous income year that does not exceed $100.0 million, and has not, in the determination of the Commissioner of Economic and Community Development, met the gross income test through transactions with a related person. The amount of the credit increases ratably from 1.0 percent of the annual research and development expenses paid or incurred, where these expenses equal $50.0 million or less, to 6.0 percent when expense exceed $200.0 million.

Qualified small business may exchange unused amounts of this credit with the state for a cash payment of 65.0 percent of the value of the credit or carry forward the full value until fully taken. Credits are limited to $1.5 million in any one income year.

Manufacturing Facility Credit

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

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

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

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

Tax Abatement Program	Amount of Taxes Abated
The Film, Television, and Digital Media Tax Program	
Corporate Income Tax (as of 6/30/2024)	$ 56,669,408
Insurance Companies (as of 6/30/2024)	$ 49,580,403
Public Service Tax (as of 6/30/2024)	$ 8,080,206
The Urban and Industrial Sites Reinvestment Tax Program	
Corporate Income Tax (as of 6/30/2024)	$ 6,577,323
Insurance Companies (as of 6/30/2024)	$ 451,486
Public Service Tax (as of 6/30/2024)	$ 1,846,267
The Insurance Reinvestment Fund Program	
Insurance Companies (as of 6/30/2024)	$ 29,925,550
The Connecticut Neighborhood Assistance Act Credit Program	
Corporate Income Tax (as of 6/30/2024)	$ 1,694,409
Insurance Companies (as of 6/30/2024)	$ 830,609
Public Service Tax (as of 6/30/2024)	$ 5,073,046
Housing Program Contribution	
Corporate Income Tax (as of 6/30/2024)	$ 106,759
Public Service Tax (as of 6/30/2024)	$ 10,000,000
Historic Rehabilitation	
Insurance Companies Tax (as of 6/30/2024)	$ 2,860,876
Public Service Tax (as of 6/30/2024)	$ 13,861,055
Research and Development Expenditures	
Corporate Income Tax (as of 6/30/2024)	$ 47,859,218
Manufacturing Facility Credit	
Corporate Income Tax (as of 6/30/2024)	$ 512,338

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

Note 23
Asset Retirement Obligations

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

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

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

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

Note 24
Commitments and Contingencies

a. Commitments

Primary Government

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

As of June 30, 2024, the State had contractual commitments as follows (amounts in millions):

Infrastructure & Other Transportation Programs	$	2,741
Construction Programs	$	199
School Construction and Alteration Grant Program	$	4,158
Clean and Drinking Water Loan Programs	$	694
Various Programs and Services	$	4,578

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

Component Units

As of December 31, 2023, the Connecticut Housing Finance Authority had mortgage loan commitments of approximately $389.6 million.

b. Contingent Liabilities

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

As of June 30, 2024, the State reported an escheat liability of $586.1 million in the General Fund. This liability represents an estimate of the amount of escheat property likely to be refunded to claimants in the future. However, there is a reasonable possibility that the State could be liable for an additional amount of escheat refunds of $202.3 million in the future.

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

c. Litigation
The State and its officers and employees are parties to numerous legal proceedings, many of which normally occur in government operations. The final outcomes of most of these legal proceedings are not, in the opinion of the Attorney General, either individually or in the aggregate likely to exceed $50.0 million.

There are, however, several legal proceedings which, if decided adversely against the State, either individually or in the aggregate may require the State to make material future expenditures or may impair revenue sources. Among these proceedings, an adverse judgment in the matters described below, in the opinion of the Attorney General, individually could have a fiscal impact on the State of $50.0 million or more.

American Indian Tribes. It is possible that land claims could be brought by American Indian groups who have petitioned or do petition the Federal Government for federal acknowledgement. In any of the land claims matters, irrespective of whether federal acknowledgement is granted, denied or upheld, a particular group could institute or renew land claims against the State or others, or press the claims it has already asserted. The federal Bureau of Indian Affairs ("BIA") has adopted new regulations for the federal acknowledgement of tribes under relaxed standards. On January 14, 2025, the BIA announced a final rule which went into effect February 14, 2025 that lifts the prior ban against re-petitioning and creates a conditional, time-limited opportunity for previously denied petitioners such as the Schaghticoke Tribal Nation ("STN"), the Golden Hill Paugussett Tribe and the Eastern Pequot Tribal Nation, to seek acknowledgement under the new regulations. However, courts in litigation with other tribes have held that the prohibition on re-petitioning is invalid. In 2022, the BIA promulgated new rulemaking on this issue to address the district courts' concerns and bolster the long-standing prohibition on re-petitioning. The State is reviewing the final rule and any potential implications to pending matters, as well as any previously litigated matters involving tribes who failed to obtain federal recognition.

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

D.J. v. Conn. State Board of Education is a federal court case brought by a special education student and a purported class of similarly situated special education students seeking compensatory education for the class which is made up of all special education students deprived of special education services after reaching the age of 21 for the two years before the action was filed and during the pendency of the case. The parties reached a final settlement of approximately $2.5 million which was approved by the court and is awaiting approval of the General Assembly.

Note 25
COVID-19 Pandemic

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

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

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

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

Note 26
Opioid Settlements

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

In fiscal year 2024, Connecticut received $28.7 million of approximately $240.0 million total as part of a nationwide settlement with the three largest pharmaceutical companies: McKesson, Cardinal Health and AmerisourceBergen. Connecticut will receive the remainder in subsequent fiscal years.

Connecticut also received $451,654 of Connecticut's total share of $59.0 million settlement as part of a nationwide settlement with manufacturer Janssen Pharmaceuticals, Inc., and its parent company Johnson and Johnson. Connecticut will receive the remainder in subsequent fiscal years.

Additionally, the State received $47.3 million of Connecticut's total share of approximately $162.0 million settlement as part of a nationwide settlement with pharmacies (CVS, Walgreens, and Walmart) as well as Teva and Allergan.

Finally, the State received $2.3 million as part of a nationwide settlement with Mallinkrodt Pharmaceuticals.

Pending and future opioid negotiations and litigation will likely result in additional settlements, and each agreement or judgement will likely have unique terms governing payment amounts, timing, and duration. These payments must be used to support any of a wide variety of strategies to fight the opioid crisis. Fifteen percent of each settlement payment amount allocated to Connecticut (as described above) is paid directly to cities and towns by the settlement administrator, with the remaining 85.0 percent paid to the state by the administrator. Actual amounts paid will be dependent on a number of factors, including participation by states and municipalities and companies' continuing ability to pay.

Note 27
Subsequent Events

In preparing the financial statements, the State has evaluated events and transactions for potential recognition or disclosure in its financial statement footnotes. The effect of this evaluation led the State to report the following events which took place after the date of the State's fiscal year end through to the date these financial statements were issued. The subsequent information regarding the Connecticut Housing Finance Authority includes events which took place after their fiscal year end of December 31, 2023.

In September and December of 2024, the State made transfers in the amount of $608.2 million and $325 million from the Budget Reserve Fund (BRF) and the General Fund, respectively to the State Employee Retirement Fund (SERF) and the Teacher's Retirement Fund (TRF). This transfer was the result of the Budget Reserve Fund exceeding the statutory cap of 18.0 percent of General Fund appropriations. According to CGS Section 4-30a(c)(1)(A), no further transfers will be made to the Budget Reserve Fund. Instead, the State Treasurer decides what is in the best interest of the state, whether to transfer the balance above the 18.0 percent threshold as an additional contribution to SERF or to TRF. The State Treasurer determined this year to transfer $514.0 million to SERF and $419.2 million to TRF.

In August 2024, the State issued $214.2 million of General Obligation Series E refunding bonds. The bonds were issued for the purpose of refunding the principal amount of all or a portion of outstanding General Obligation Bonds. The bonds mature between 2025 and 2034, and bear an interest rate of 5.0 percent.

In October 2024, the State issued $936.7 million of General Obligation Bonds; $560.0 million Series F, $240.0 million Series G (Social Bonds), and $136.7 million Series H refunding bonds. The Series F bonds were issues for various projects in the State, the Series G bonds were issued for various education-related projects and purposes, and the Series H refunding bonds were issued for the purpose of refunding the principal amount of all or a portion of outstanding General Obligation Bonds. The bonds mature between 2025 and 2044, and bear interest rates between 3.0 and 5.0 percent.

In December 2024, the State issued $1.4 billion of Special Tax Obligation Bonds; $231.2 million Series A-1, $768.8 million Series A-2, and $375.3 million Series B. The bonds were issued for various transportation infrastructure projects. The bonds mature between 2025 and 2045, and bear an interest rate of 5.0 percent.

In January 2025, during the close-out and winding down of the American Rescue Plan Act (ARPA) program, the State identified $273.9 million in interested earnings that had been directed to its Interest Credit Program Accounts. In accordance with the Federal program regulations, the

State determined in 2025 to transfer such balance to the General Fund.

On February 10, 2024, the Connecticut Health and Educational Facilities Authority remarketed $150.0 million Yale University Issues Series 2010A-4 Revenue Bonds; consisting of $75.0 million Series 2010A-4-1, and $75.0 million Series 2010A-4-2. The bonds were issued for various capital projects. The bonds mature in 2049 and bear a daily interest rate.

On February 10, 2024, the Connecticut Health and Educational Facilities Authority remarketed $219.7 million Yale University Issue Series U Revenue Bonds. The bonds were issued for various capital projects. The bonds mature in 2023 and bear an interest rate of 5.0 percent.

On January 31, 2025, the Connecticut Health and Educational Facilities Authority issued $7.5 million Fairview Issue Series 2025A Revenue Bond Anticipation Notes with a closing date of February 13, 2025.

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

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

On March 14, 2024, CHFA issued $50.0 million Series B Housing Mortgage Finance Program Bonds (Social Bonds). The bond proceeds along with other available monies, are expected to be used within 90 days of the date of issuance to refund and/or replace certain current and future maturities of outstanding bonds to be paid at maturity or to be redeemed by special and/or optional redemption, to provide new monies for the financing of Home Mortgage Loans and Agency Securities and to pay certain costs of issuance.

On May 23, 2024, CHFA issued $246.6 million Series C Housing Mortgage Finance Program Bonds (Social Bonds), consisting of $96.6 million Subseries C-1 and $150.0 million Subseries C-2 term rate bonds. The bond proceeds along with other available monies, are expected to be used within 90 days of the date of issuance to refund and/or replace certain current and future maturities of outstanding bonds to be paid at maturity or to be redeemed by special and/or optional redemption, to provide new monies for the financing of Home Mortgage Loans and Agency Securities and to pay certain costs of issuance.

On June 18, 2024, CHFA issued $122.9 million Series D Housing Mortgage Finance Program Bonds (Sustainability Bonds), consisting of $57.6 million Subseries D-1 and $65.3 Subseries D-2 term rate bonds. The bond proceeds along with other available monies, are expected to be used to provide new monies for the financing of Multifamily Mortgage Loans and pay certain costs of issuance.

On September 24, 2024, CHFA issued $188.8 million Series E Housing Mortgage Finance Program Bonds (Sustainability Bonds). The bond proceeds along with other available monies, are expected to be used in the case of 2024 Series E-1 Social bonds, to provide new monies for the financing of Home Mortgage Loans and Agency Securities and to pay certain costs of issuance. In the case of 2024 Subseries E-2 and 2024 Subseries E-3 Sustainability bonds, the monies are to be used for the financing of Multifamily Mortgage Loans and to pay certain cost of issuance.

On November 14, 2024, CHFA issued $298.6 million Series F Housing Mortgage Finance Program Bonds (Social Bonds). The bond proceeds along with other available monies, are expected to be used within 90 days of the date of issuance to refund and/or replace certain current and future maturities of outstanding bonds to be paid at maturity or to be redeemed by special and/or optional redemption, to provide new monies for the financing of Home Mortgage Loans and Agency Securities and to pay certain costs of issuance.

On February 6, 2025, CHFA issued $300.0 million Series A Housing Mortgage Finance Program Bonds (Social Bonds), consisting of $100.0 million Subseries A-1 and $200.0 million Subseries A-2 serial rate bonds. The bond proceeds along with other available monies, are expected to be used within 90 days of the date of issuance to refund and/or replace certain current and future maturities of outstanding bonds to be paid at maturity or to be redeemed by special and/or optional redemption, to provide new monies for the financing of Home Mortgage Loans and Agency Securities and to pay certain costs of issuance.

On February 25, 2025, CHFA issued $121.0 million Series B Housing Mortgage Finance Program Bonds (Social Bonds). The bond proceeds along with other available monies, are expected to provide new monies for the financing of Multifamily Mortgage Loans and to pay certain costs of issuance.

Between April 2024 and June 2024, CHFA made unscheduled principal payments totaling $234.4 million to pay down outstanding Special and Optional Bond Obligations, along with unscheduled redemptions of $53.2 million on November 15, 2024 and $30.7 million on February 15, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
BUDGET

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

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

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

General Fund and Transportation Fund
Notes to Required Supplementary Information

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

For the Fiscal Year Ended June 30, 2024

(Expressed in Thousands)

	General Fund				Transportation Fund			
	Budget			Variance with Final Budget positive	Budget			Variance with Final Budget positive
Revenues	**Original**	**Final**	**Actual**	**(negative)**	**Original**	**Final**	**Actual**	**(negative)**
Budgeted:								
Taxes, Net of Refunds	$ 19,982,100	$ 20,403,700	$ 20,496,631	$ 92,931	$ 1,923,400	$ 1,896,800	$ 1,872,533	$ (24,267)
Indian Gaming Payments	283,700	305,700	305,655	(45)	-	-	-	-
Licenses, Permits, and Fees	356,500	369,500	368,570	(930)	123,700	141,200	142,213	1,013
Other	541,900	760,400	767,755	7,355	313,400	365,100	366,018	918
Federal Grants	1,867,800	2,067,100	2,060,692	(6,408)	9,200	9,300	9,321	21
Refunds of Payments	(85,700)	(85,700)	(85,660)	40	(3,600)	(11,700)	(11,681)	19
Operating Transfers In	514,900	481,600	481,748	148	-	-	37,666	37,666
Operating Transfers Out	-	-	-	-	(13,500)	(5,500)	(5,500)	-
Transfer to BRF - Volatility Adjustment	(683,200)	(1,313,500)	(1,321,350)	(7,850)	-	-	-	-
Transfer to/from the Resources of the General Fund	(272,700)	(382,800)	(357,911)	24,889	-	-	-	-
Total Revenues	22,505,300	22,606,000	22,716,130	110,130	2,352,600	2,395,200	2,410,570	15,370
Expenditures								
Budgeted:								
Legislative	102,291	97,191	89,523	7,668	-	-	-	-
General Government	647,316	585,463	506,828	78,635	-	-	-	-
Regulation and Protection	377,727	374,657	343,788	30,869	-	-	-	-
Conservation and Development	283,368	260,542	246,577	13,965	-	-	-	-
Health and Hospitals	2,337,276	2,321,740	2,285,272	36,468	-	-	-	-
Transportation	-	-	-	-	2,237,094	2,225,591	2,048,792	176,799
Human Services	4,567,684	4,719,692	4,675,936	43,756	-	-	-	-
Education, Libraries, and Museums	6,207,034	6,176,889	6,114,126	62,763	-	-	-	-
Corrections	1,509,690	1,520,019	1,502,814	17,205	-	-	-	-
Judicial	674,955	679,651	675,221	4,430	-	-	-	-
Non Functional	6,361,216	6,478,901	6,339,354	139,547	-	-	-	-
Total Expenditures	23,068,557	23,214,745	22,779,439	435,306	2,237,094	2,225,591	2,048,792	176,799
Appropriations Lapsed	133,857	108,897	-	(108,897)	12,000	29,631	-	(29,631)
Excess (Deficiency) of Revenues						-		
Over Expenditures	(429,400)	(499,848)	(63,309)	(434,073)	127,506	199,240	361,778	162,538
Other Financing Sources (Uses)								
Prior Year Appropriations Carried Forward	829,100	829,100	902,749	73,649	80,900	80,900	80,942	42
Appropriations Continued	-	-	(438,495)	(438,495)	-	-	(149,932)	(149,932)
Miscellaneous Adjustment	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	829,100	829,100	464,254	(364,846)	80,900	80,900	(68,990)	(149,890)
Net Change in Fund Balance	$ 399,700	$ 329,252	400,945	$ (798,919)	$ 208,406	$ 280,140	292,788	$ 12,648
Budgetary Fund Balances - July 1			1,677,179				758,675	
Changes in Reserves			(837,427)				69,864	
Budgetary Fund Balances - June 30			$ 1,240,697				$ 1,121,327	

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

STATUTORY REPORTING

A. Budgeting Process

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

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

The Governor has the power under Connecticut statute to modify budgetary allotment requests for the administration, operation and maintenance of a budgeted agency. However, the modification cannot exceed 3.0 percent of the fund or 5.0 percent of the appropriation amount. Modifications beyond those limits, but not in excess of 5.0 percent of the total funds require the approval of the Finance Advisory Committee. The Finance Advisory Committee is comprised of the Governor, the Lieutenant Governor, the Treasurer, the Comptroller, two senate members, not of the same political party, and three house members, not more than two of the same political party. Additional reductions of appropriations of more than 5.0 percent of the total appropriated fund can be made only with the approval of the General Assembly.

All funds, except fiduciary funds, use encumbrance accounting. Under this method of accounting, purchase orders, contracts, and other commitments for the expenditures of the fund are recorded in order to reserve that portion of the applicable appropriation. All encumbrances lapse at year-end and, generally, all appropriations lapse at year-end except for certain continuing appropriations (continuing appropriations are defined as carryforwards of spending authority from one fiscal budget into a subsequent budget). The continuing appropriations include: appropriations continued for a one-month period after year-end which are part of a program that was not renewed the succeeding year; appropriations continued the entire succeeding year, as in the case of highway and other capital construction projects; and appropriations continued for specified amounts for certain special programs. Carryforward appropriations are reported as reservations of the fund balance in the financial statements.

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

B. Reconciliation of Budget/GAAP Reporting Differences

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

- Revenues are recorded when received in cash except for certain year-end accruals (statutory basis) as opposed to revenues being recorded when they are susceptible to accrual (GAAP basis).
- Certain expenditures are not subject to accrual for budgeting purposes and are recorded when paid in cash (statutory basis) as opposed to expenditures being recorded when the related fund liability is incurred (GAAP basis).
- For statutory reporting purposes, continuing appropriations are reported with other financing sources and uses in the determination of the budgetary surplus or deficit to more fully demonstrate compliance with authorized spending for the year. For GAAP purposes, continuing appropriations are excluded from operations and reported as committed fund balance.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

The following table presents a reconciliation of differences between the statutory change in fund balance and the GAAP change in fund balance at June 30, 2024 (amounts in thousands):

	General Fund	Transportation Fund
Net change in fund balances (statutory basis)	$ 400,997	$ 292,789
Volatility Deposit Budget Reserve Fund	1,320,000	-
Increase (Decrease) Statutory Surplus Reserve	205,000	-
Prior Year Transfer to SERS & TRS	(1,878,100)	-
Adjustments:		
Increases (decreases) in revenue accruals:		
Receivables and Other Assets	2,630,313	48,207
(Increases) decreases in expenditure accruals:		
Accounts Payable and Other Liabilities	(2,100,227)	(49,480)
Salaries and Fringe Benefits Payable	70,461	(698)
Increase (Decrease) in Continuing Appropriations	(252,554)	68,989
Fund Reclassification-Bus Operations	-	(541)
Net change in fund balances (GAAP basis)	$ 395,890	$ 359,266

C. Budget Reserve Fund ("Rainy Day Fund")

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

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

This was primarily due to the revenue volatility cap, first implemented in fiscal year 2018. This statutory provision requires revenues above a certain threshold to be transferred to the Budget Reserve Fund. For fiscal year 2024, the cap was just over $4.1 billion for estimated and final income tax payments and revenue from the Pass-through Entity tax. At year-end, a volatility transfer of $1.3 billion was made to the Budget Reserve Fund.

Prior to the close of fiscal year 2024, the balance of the Budget Reserve Fund was just over $3.3 billion. Adding the $1.3 billion volatility transfer brought the Budget Reserve Fund total to $4.6 billion (or 20.2 percent) of net General Fund appropriations for fiscal year 2025. As a result, the Budget Reserve Fund was roughly $0.5 billion above the statutory 18.0 percent cap. According to CGS Section 4-30a (c)(1)(A), no further transfers will be made to the Budget Reserve Fund. Instead, the State Treasurer transfers any remaining General Fund surplus, as he determines to be in the State's best interest, as follows:

1. First to reduce the State Employees' Retirement Fund's (SERF) unfunded liability by up to 5.0 percent;
2. Next to reduce the Teachers' Retirement Fund's (TRF) unfunded liability by up to 5.0 percent; and
3. Third to make additional payments towards the SERF.

In September the State Treasurer elected to transfer $335.0 million to TRF, with the remaining balance of $273.2 million going to SERF. The General Fund surplus of $401.0 million was transferred in December, with $76.0 million going to the Budget Reserve Fund to bring the balance to 18.0 percent of net General Fund appropriations for fiscal year 2024, $179.0 million going to SERF, and $146.0 going to TRF.

REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLANS

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

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

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

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

Last Ten Fiscal Years

(Expressed in Thousands)

SERS

Total Pension Liability	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Service Cost	$ 463,636	$ 434,436	$ 396,602	$ 388,671	$ 391,941	$ 429,321	$ 480,350	$ 322,114	$ 310,472	$ 310,472
Interest	2,715,450	2,563,570	2,474,161	2,416,577	2,290,633	2,212,890	2,255,533	2,105,947	2,052,651	2,052,651
Benefit Changes	-	-	-	-	-	-	(1,444,220)	-	-	-
Difference between expected and actual experience	750,238	1,697,023	778,249	208,138	1,224,344	482,904	-	772,762	-	-
Changes of assumptions	-	-	(48,241)	-	-	-	-	4,959,705	-	-
Benefit payments	(2,593,589)	(2,369,853)	(2,217,508)	(2,120,811)	(2,026,793)	(1,955,985)	(1,847,715)	(1,729,181)	(1,650,465)	(1,650,465)
Refunds of contributions	(11,632)	(12,656)	(9,955)	(9,377)	(6,350)	(7,659)	(7,972)	(7,098)	(7,124)	(7,124)
Net change in total pension liability	1,324,103	2,312,520	1,373,308	883,198	1,873,775	1,161,471	(564,024)	6,424,249	705,534	705,534
Total pension liability - beginning	40,656,964	38,344,444	36,971,136	36,087,938	34,214,163	33,052,692	33,616,716	27,192,467	26,486,933	26,486,933
Total pension liability - ending (a)	**$ 41,981,067**	**$ 40,656,964**	**$ 38,344,444**	**$ 36,971,136**	**$ 36,087,938**	**$ 34,214,163**	**$ 33,052,692**	**$ 33,616,716**	**$ 27,192,467**	**$ 27,192,467**
Plan net position										
Contributions - employer	$ 3,261,874	$ 2,849,181	$ 2,563,189	$ 1,616,312	$ 1,578,323	$ 1,443,053	$ 1,542,298	$ 1,501,805	$ 1,371,651	$ 1,371,651
Contributions - member	223,062	202,270	194,775	192,716	489,099	193,942	132,557	135,029	187,339	187,339
Net investment income	1,754,898	(1,513,318)	3,301,219	295,737	710,861	875,944	1,509,862	(100)	294,412	294,412
Benefit payments	(2,593,589)	(2,369,853)	(2,217,508)	(2,120,811)	(2,026,793)	(1,955,985)	(1,847,715)	(1,729,181)	(1,650,465)	(1,650,465)
Administrative expense	-	-	(568)	(782)	(693)	(391)	(674)	(651)	-	-
Refunds of contributions	(11,632)	(12,656)	(9,955)	(9,377)	(6,350)	(7,659)	(7,972)	(7,098)	(7,124)	(7,124)
Other	(1,797)	2,367,461	-	-	3,704	(3,139)	(371)	85,608	-	-
Net change in plan net position	2,632,816	1,523,085	3,831,152	(26,205)	748,151	545,765	1,327,985	(14,588)	195,813	195,813
Plan net position - beginning	18,603,725	17,080,640	13,249,488	13,275,693	12,527,542	11,981,777	10,653,792	10,668,380	10,472,567	10,472,567
Plan net position - ending (b)	**$ 21,236,541**	**$ 18,603,725**	**$ 17,080,640**	**$ 13,249,488**	**$ 13,275,693**	**$ 12,527,542**	**$ 11,981,777**	**$ 10,653,792**	**$ 10,668,380**	**$ 10,668,380**
Ratio of plan net position to total pension liability	50.59%	45.76%	44.55%	35.84%	36.79%	36.62%	36.25%	31.69%	39.23%	39.23%
Net pension liability - ending (a) -(b)	**$ 20,744,526**	**$ 22,053,239**	**$ 21,263,804**	**$ 23,721,648**	**$ 22,812,245**	**$ 21,686,621**	**$ 21,070,915**	**$ 22,962,924**	**$ 16,524,087**	**$ 16,524,087**
Covered payroll	$ 4,168,950	$ 3,787,016	$ 3,847,146	$ 3,672,443	$ 3,686,365	$ 3,428,068	$ 3,850,978	$ 3,720,751	$ 3,618,361	$ 3,618,361
Net pension liability as a percentage of covered payroll	497.60%	582.34%	552.72%	645.94%	618.83%	632.62%	547.16%	617.16%	456.67%	456.67%

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

Last Ten Fiscal Years

(Expressed in Thousands)

TRS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	$ 634,409	$ 617,468	$ 599,484	$ 616,370	$ 463,997	$ 465,207	$ 450,563	$ 419,616	$ 404,449	$ 404,449
Interest	2,668,940	2,548,157	2,486,930	2,379,886	2,406,206	2,371,168	2,308,693	2,228,958	2,162,174	2,162,174
Benefit Changes	-	89,017	-	-	(224,281)	28,036	-	-	-	-
Difference between expected and actual experience	73,374	789,366	-	(306,400)	-	(396,067)	-	(375,805)	-	-
Changes of assumptions	-	-	-	1,022,137	3,875,996	-	-	2,213,190	-	-
Benefit payments	(2,359,976)	(2,227,079)	(2,171,063)	(2,150,168)	(2,066,641)	(1,994,092)	(1,962,533)	(1,738,131)	(1,773,408)	(1,773,408)
Refunds of contributions	-	-	-	-	-	-	-	-	(50,329)	(50,329)
Net change in total pension liability	1,016,747	1,816,929	915,351	1,561,825	4,455,277	474,252	796,723	2,747,828	742,886	742,886
Total pension liability - beginning	39,860,280	38,043,351	37,128,000	35,566,175	31,110,898	30,636,646	29,839,923	27,092,095	26,349,209	26,349,209
Total pension liability - ending (a)	**$ 40,877,027**	**$ 39,860,280**	**$ 38,043,351**	**$ 37,128,000**	**$ 35,566,175**	**$ 31,110,898**	**$ 30,636,646**	**$ 29,839,923**	**$ 27,092,095**	**$ 27,092,095**
Plan net position										
Contributions - employer	$ 1,578,038	$ 1,443,656	$ 1,249,835	$ 1,209,573	$ 1,292,672	$ 1,272,277	$ 1,012,162	$ 975,578	$ 984,110	$ 984,110
Contributions - member	397,818	392,913	323,306	318,217	309,333	312,150	288,251	293,493	228,100	228,100
Net investment income	1,878,740	(2,024,736)	4,528,666	410,311	1,012,089	1,224,931	2,199,895	(18,473)	452,942	452,942
Benefit payments	(2,359,976)	(2,227,079)	(2,171,063)	(2,150,168)	(2,066,641)	(1,994,092)	(1,962,533)	(1,738,131)	(1,773,408)	(1,773,408)
Refunds of contributions	-	-	-	-	-	-	-	-	(50,329)	(50,329)
Other	825,391	847,879	904,434	522	(837)	(2,753)	1,679	(37,648)	57,749	57,749
Net change in plan net position	2,320,011	(1,567,367)	4,835,178	(211,545)	546,616	812,513	1,539,454	(525,181)	(100,836)	(100,836)
Plan net position - beginning	21,549,721	23,117,088	18,281,910	18,493,455	17,946,839	17,134,326	15,594,872	16,120,053	16,220,889	16,220,889
Plan net position - ending (b)	**$ 23,869,732**	**$ 21,549,721**	**$ 23,117,088**	**$ 18,281,910**	**$ 18,493,455**	**$ 17,946,839**	**$ 17,134,326**	**$ 15,594,872**	**$ 16,120,053**	**$ 16,120,053**
Ratio of plan net position to total pension liability	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	59.50%
Net pension liability - ending (a) -(b)	**$ 17,007,295**	**$ 18,310,559**	**$ 14,926,263**	**$ 18,846,090**	**$ 17,072,720**	**$ 13,164,059**	**$ 13,502,320**	**$ 14,245,051**	**$ 10,972,042**	**$ 10,972,042**
Covered payroll	$ 4,996,954	$ 4,571,425	$ 4,500,666	$ 4,352,967	$ 4,389,654	$ 4,321,593	$ 4,279,755	$ 4,125,066	$ 4,078,367	$ 4,078,367
Net pension liability as a percentage of covered payroll	340.35%	400.54%	331.65%	432.95%	388.93%	304.61%	315.49%	345.33%	269.03%	269.03%

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

Last Ten Fiscal Years

(Expressed in Thousands)

JRS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	$ 11,667	$ 10,487	$ 9,289	$ 9,813	$ 10,834	$ 11,352	$ 10,159	$ 8,508	$ 8,142	$ 8,142
Interest	33,491	32,720	32,743	31,815	29,559	29,954	29,062	28,251	27,240	27,240
Difference between expected and actual experience	44,883	2,354	(9,271)	2,474	22,095	(18,528)	-	(9,380)	-	-
Changes of assumptions	-	-	(1,020)	-	-	-	-	64,604	-	-
Benefit payments	(35,751)	(32,927)	(31,116)	(30,200)	(29,386)	(27,616)	(24,899)	(22,994)	(22,541)	(22,541)
Refunds of contributions	-	(91)	(6)	-	-	-	-	-	-	-
Net change in total pension liability	54,290	12,543	619	13,902	33,102	(4,838)	14,322	68,989	12,841	12,841
Total pension liability - beginning	503,253	490,710	490,091	476,189	443,087	447,925	433,603	364,614	351,773	351,773
Total pension liability - ending (a)	**$ 557,543**	**$ 503,253**	**$ 490,710**	**$ 490,091**	**$ 476,189**	**$ 443,087**	**$ 447,925**	**$ 433,603**	**$ 364,614**	**$ 364,614**
Plan net position										
Contributions - employer	$ 32,533	$ 33,170	$ 31,893	$ 27,011	$ 27,427	$ 25,458	$ 19,164	$ 18,259	$ 17,731	$ 17,731
Contributions - member	2,019	1,642	1,570	1,575	1,694	1,663	1,689	1,831	1,791	1,791
Net investment income	23,363	(27,407)	59,881	5,461	13,383	13,178	24,452	1,440	4,781	4,781
Benefit payments	(35,751)	(32,927)	(31,116)	(30,200)	(29,386)	(27,616)	(24,899)	(22,994)	(22,541)	(22,541)
Refunds of contributions	-	(91)	(6)	-	-	-	-	-	-	-
Other	477	-	-	-	-	-	(39)	1,680	-	-
Net change in plan net position	22,641	(25,613)	62,222	3,847	13,118	12,683	20,367	216	1,762	1,762
Plan net position - beginning	276,382	301,995	239,773	235,926	222,808	210,125	189,758	189,542	187,780	187,780
Plan net position - ending (b)	**$ 299,023**	**$ 276,382**	**$ 301,995**	**$ 239,773**	**$ 235,926**	**$ 222,808**	**$ 210,125**	**$ 189,758**	**$ 189,542**	**$ 189,542**
Ratio of plan net position to total pension liability	53.63%	54.92%	61.54%	48.92%	49.54%	50.29%	46.91%	43.76%	51.98%	51.98%
Net pension liability - ending (a) -(b)	**$ 258,520**	**$ 226,871**	**$ 188,715**	**$ 250,318**	**$ 240,263**	**$ 220,279**	**$ 237,800**	**$ 243,845**	**$ 175,072**	**$ 175,072**
Covered payroll	$ 39,102	$ 35,872	$ 31,438	$ 31,495	$ 34,643	$ 34,970	$ 36,467	$ 34,897	$ 34,972	$ 34,972
Net pension liability as a percentage of covered payroll	661.14%	632.45%	600.28%	794.79%	693.54%	629.91%	652.10%	698.76%	500.61%	500.61%

REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years
(Expressed in Thousands)

SERS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined employer contribution	$ 2,143,325	$ 1,993,151	$ 1,806,708	$ 1,616,302	$ 1,574,537	$ 1,443,110	$ 1,569,142	$ 1,514,467	$ 1,379,189	$ 1,268,935
Actual employer contributions	3,261,874	2,849,181	1,786,903	1,616,312	1,578,323	1,443,053	1,542,298	1,501,805	1,371,651	1,268,890
Annual contributions deficiency/(excess)	$ (1,118,549)	$ (856,030)	$ 19,805	$ (10)	$ (3,786)	$ 57	$ 26,844	$ 12,662	$ 7,538	$ 45
Covered Payroll	$ 4,168,950	$ 3,787,016	$ 3,847,146	$ 3,672,443	$ 3,686,365	$ 3,428,068	$ 3,850,978	$ 3,720,751	$ 3,618,361	$ 3,487,577
Actual contributions as a percentage of covered payroll	78.24%	75.24%	46.45%	44.01%	42.82%	42.10%	40.05%	40.36%	37.91%	36.38%
TRS										
Actuarially determined employer contribution	$ 1,578,038	$ 1,443,656	$ 1,249,835	$ 1,208,819	$ 1,292,314	$ 1,272,277	$ 1,012,162	$ 975,578	$ 984,110	$ 948,540
Actual employer contributions	1,578,038	1,443,656	1,249,835	1,208,819	1,292,314	1,272,277	1,012,162	975,578	984,110	948,540
Annual contributions deficiency/(excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 4,996,954	$ 4,571,425	$ 4,500,666	$ 4,352,967	$ 4,389,654	$ 4,321,593	$ 4,279,755	$ 4,125,066	$ 4,078,367	$ 3,930,957
Actual contributions as a percentage of covered payroll	31.58%	31.58%	27.77%	27.77%	29.44%	29.44%	23.65%	23.65%	24.13%	24.13%
JRS										
Actuarially determined employer contribution	$ 32,533	$ 33,170	$ 31,893	$ 27,011	$ 27,427	$ 25,458	$ 19,164	$ 18,259	$ 17,731	$ 16,298
Actual employer contributions	32,533	33,170	31,893	27,011	27,427	25,458	19,164	18,259	17,731	16,298
Annual contributions deficiency/(excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 39,102	$ 35,872	$ 31,438	$ 31,495	$ 34,643	$ 34,970	$ 36,467	$ 34,897	$ 34,972	$ 33,386
Actual contributions as a percentage of covered payroll	83.20%	92.47%	101.45%	85.76%	79.17%	72.80%	52.55%	52.32%	50.70%	48.82%

Valuation Date:
Actuarially determined contribution amounts are calculated as of June 30, 2023.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay, closed
Remaining Amortization Period	SERS 24.8 years TRS 27.8 years JRS 10 years
Asset Valuation Method	SERS & JRS 5 year smoothed market TRS 4 year smoothed market value
Investment Rate of Return	6.9%
Salary Increases	3.0% to 11.5% percent, including inflation
Cost-of-Living Adjustments	2.0% to 7.5%
Inflation	2.5%
Social Security Wage Base	SERS 3.5%

REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLANS
SCHEDULE OF INVESTMENT RETURNS

Last Ten Fiscal Years

Annual money-weighted rates of return net of investment expense	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
State Employees' Retirement Fund	11.52%	9.02%	-7.63%	24.36%	1.86%	5.88%	7.30%	14.32%	0.23%	2.83%
Teachers' Retirement Fund	11.50%	8.35%	-7.63%	24.28%	1.85%	5.85%	7.04%	14.37%	0.17%	2.82%
State Judges' Retirement Fund	11.43%	8.07%	-7.73%	24.37%	2.10%	6.12%	6.24%	13.04%	1.11%	2.57%

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS

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

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

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

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

Last Seven Fiscal Year*

(Expressed in Thousands)

SEOPEBP

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

* Governmental Accounting Standards Board Statement No. 74, Accounting and Financial Reporting for Other Postemployment Benefits, requires the presentation of supplementary information for each of the 10 most recent years. However, until a full 10-year trend is complied, the State will present information for the years for which the information is available. Information presented in the schedule has been determined as of the measurement date (one year before the most recent fiscal year end).

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

Last Seven Fiscal Year*

(Expressed in Thousands)

RTHP

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

* Governmental Accounting Standards Board Statement No. 74, Accounting and Financial Reporting for Other Postemployment Benefits, requires the presentation of supplementary information for each of the 10 most recent years. However, until a full 10-year trend is complied, the State will present information for the years for which the information is available. Information presented in the schedule has been determined as of the measurement date (one year before the most recent fiscal year end).

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years
(Expressed in Thousands)

SEOPEBP	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Employer Contribution	$ 1,097,692	$ 1,055,474	$ 1,338,541	$ 1,287,059	$ 1,203,406	$ 1,157,121	$ 1,043,143	$ 1,443,716	$ 1,513,336	$ 1,525,371
Actual Employer Contributions	850,513	847,928	868,070	867,222	752,941	801,893	667,401	608,593	546,284	514,696
Annual Contributions Deficiency/(Excess)	$ 247,179	$ 207,546	$ 470,471	$ 419,837	$ 450,465	$ 355,228	$ 375,742	$ 835,123	$ 967,052	$ 1,010,675
Covered Payroll	$ 4,865,966	$ 3,649,211	$ 3,745,802	$ 3,619,133	$ 3,619,133	$ 3,875,035	$ 3,743,995	$ 3,895,100	$ 3,539,800	$ 3,539,728
Actual Contributions as a Percentage of Covered Payroll	17.48%	23.24%	23.17%	23.96%	20.80%	20.69%	17.83%	15.62%	15.43%	14.54%

RTHP	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined employer contribution	$ 74,443	$ 123,908	$ 120,299	$ 173,273	$ 167,819	$ 172,223	$ 166,802	$ 130,331	$ 125,620	$ 187,227
Actual employer contributions	21,474	20,419	29,411	29,173	35,320	35,299	19,922	19,960	25,145	25,955
Annual contributions deficiency/(excess)	$ 52,969	$ 103,489	$ 90,888	$ 144,100	$ 132,499	$ 136,924	$ 146,880	$ 110,371	$ 100,475	$ 161,272
Covered Payroll	$ 4,695,730	$ 4,695,730	$ 4,438,394	$ 4,438,394	$ 4,389,654	$ 4,075,939	$ 4,279,755	$ 3,949,900	$ 3,831,600	$ 3,831,600
Actual contributions as a percentage of covered payroll	0.46%	0.43%	0.66%	0.66%	0.80%	0.87%	0.47%	0.51%	0.66%	0.68%

Note:
Valuation Date:
Actuarially determined contribution amounts are calculated as of June 30, 2023.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	SEOPEBP- Entry Age Normal RTHP-Entry Age
Amortization Method	SEOPEBP- Level percent of payroll RTHP-Level Percent of Payroll over an open period
Remaining Amortization Period	SEOPEBP- 16 years RTHP-30 years
Asset Valuation Method	Market Value
Investment Rate of Return	SEOPEBP-6.9% RTHP-3.0%
Salary Increases	SEOPEBP-3.0% to 11.5% RTHP-3.0% to 6.5%
Inflation	RTHP-2.5%
Claims Trend Assumption	4.5% to 6.3%

REQUIRED SUPPLEMENTARY INFORMATION
OPEB PLAN
SCHEDULE OF INVESTMENT RETURNS

Last Ten Fiscal Years

Annual money-weighted rates of return net of investment expense	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
OPEB Fund	11.55%	7.70%	-7.44%	24.61%	2.13%	6.62%	5.85%	11.83%	2.44%	3.44%