



**CONNECTICUT**

**The State Does Not Have the Money to Pay Bills**

Connecticut has almost \$29.7 billion worth of assets, but most of these assets are not available to meet the state's obligations.

Almost \$14.4 billion of these assets is infrastructure like roads, bridges and parks, which cannot realistically be used to pay bills. The use of \$4.3 billion of the assets is also restricted by law or contract.

**Connecticut is in Financial Jeopardy**

Only \$11 billion of the state's assets are available to pay \$74.5 billion of bills as they come due.

More than \$63.5 billion of state employees' retirement and other costs have been pushed into the future, and thus onto our children's and grandchildren's backs.

**Each taxpayer's\* share of the financial burden is \$49,000.**

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Assets	\$29,683,933,000
Less: Capital Assets	\$14,380,029,000
Restricted Assets	\$4,320,698,000
<b>Available Assets to Pay Bills</b>	<b>\$10,983,206,000</b>
Bills	\$74,523,914,000
<b>Money Needed to Pay Bills</b>	<b>\$63,540,708,000</b>

**Each Taxpayer's\* Financial Burden \$49,000**

Data is derived from the State of Connecticut's June 30, 2010 Audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

\*Based on the number of federal tax filers with a tax liability. This approximates the number of households in the state.

**So-Called "Balanced" Budgets Ignore True Costs**

The state of Connecticut only reported liabilities of more than \$30.7 billion. IFTA's detailed analysis discovered almost \$43.8 billion of additional retirement systems' obligations were unreported by the state. When these liabilities are included, the state's bills total more than \$74.5 billion.

**So-Called "Balanced" Budgets Ignore True Costs**

Reported Liabilities	\$30,761,608,000
Unreported Retirement Liabilities	\$43,762,306,000
<b>Total</b>	<b>\$74,523,914,000</b>

Connecticut's statutes require the legislature to pass a balanced budget. One of the reasons Connecticut is in this precarious financial position is state officials use antiquated budgeting and accounting rules to determine payroll costs.

Since retirement benefits are not immediately payable in cash, Connecticut's politicians ignore most of these true compensation costs when calculating their "balanced" budgets. As a result, the state has set aside only 33 cents to pay for each dollar of these promised benefits.

**Truthful budgetary accounting** would include the portion of retirement benefits employees earn every year they work in the true compensation costs.

**Accurate accounting** requires all real and certain expenses be reported in the state's budget and financial statements when earned, not when paid.

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The Institute relies on your generous contributions for its funding. *The Institute for Truth in Accounting is a registered not-for-profit organization, and all contributions are tax-deductible.*

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**Thank you for supporting the Truth!**



# About

The Institute for Truth in Accounting (IFTA) was created by distinguished financial and public policy experts concerned with the quality of public and private organizations' financial reporting.

The mission of IFTA is to encourage private and public entities to produce financial reports that are understandable, reliable and transparent, and to inform the public of the importance of truthful budgeting and accounting.

IFTA actively seeks association with other public interest groups and individuals that recognize the need to improve financial reporting, or want to better understand the true consequences of financial decisions.

The Institute is a non-profit, nonpartisan organization that does not advocate public policy beyond that of truthful accounting.

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### Financial State of the State

