

STATE OF CONNECTICUT



*AUDITORS' REPORT
CONNECTICUT DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

AUDITORS OF PUBLIC ACCOUNTS
KEVIN P. JOHNSTON ❖ ROBERT G. JAEKLE

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January 21, 2009

**AUDITORS' REPORT
CONNECTICUT DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

We have examined the books, records and accounts of the Connecticut Development Authority, as provided in Section 2-90, Section 1-122, and Section 32-11a of the General Statutes, for the fiscal year ended June 30, 2007.

SCOPE OF AUDIT:

This audit was primarily limited to performing tests of the Connecticut Development Authority's compliance with certain provisions of laws, regulations, contracts and grants, including, but not limited to, a determination of whether the Authority has complied with its regulations concerning the following areas:

- Affirmative action
- Personnel practices
- Purchase of goods and services
- Use of surplus funds
- Distribution of loans, grants and other financial resources.

We also considered the Connecticut Development Authority's internal control over its financial operations and its compliance with requirements that could have a material or significant effect on the Authority's financial operations in order to determine our auditing procedures for the purpose of evaluating the Authority's financial operations and compliance with certain provisions of laws, regulations, contracts and grants, and not to provide assurance on the internal control over those control objectives. Our consideration of internal control included the five areas identified above.

Our audit included a review of a representative sample of the Authority's activities during the fiscal year in the five areas identified previously and a review of such other areas as we considered necessary. The financial statement audit of the Connecticut Development Authority,

for the fiscal year indicated above, was conducted by the Authority's independent public accountants.

In accordance with Section 32-11a, subsection (l) of the General Statutes, CDA has the authority to create subsidiaries to carry out the remediation, development, and financing of contaminated property within the State. As a result, CDA established the Connecticut Brownfields Redevelopment Authority, Inc. (CBRA). The CBRA was incorporated as a non-stock corporation on May 17, 1999, as a subsidiary of the Connecticut Development Authority. We will report on the activities of the Authority's subsidiary in the course of the audit of CDA.

COMMENTS

FOREWORD:

The Connecticut Development Authority, hereinafter referred to as CDA or the Authority, is a quasi-public agency as provided for by Chapter 12 of the General Statutes. CDA is a body politic and corporate, constituting a political instrumentality and political subdivision of the State. CDA operates primarily under the provisions of Title 32, Chapter 579, Sections 32-11a through 32-23zz of the General Statutes. The Authority's mission is to maintain and create jobs within the State by stimulating industrial and commercial development, primarily through financial assistance to businesses. In addition, the Authority was responsible for operations at the Hartford Civic Center (HCC) from September 1993 through June 30, 2007. CDA entered into a facilities management contract for HCC effective July 1, 2007, subsequent to the audited period. Pursuant to the terms of that contract, CDA transferred full managerial, operational and financial responsibility for HCC to the contractor.

Board of Directors and Administrative Officials:

Members of the CDA Board of Directors as of June 30, 2007, were as follows:

Ex officio Members:

- Denise L. Nappier - State Treasurer
- Robert L. Genuario - Secretary, Office of Policy and Management
- Joan McDonald - Commissioner, Dept. of Economic and Community Development

Appointed Members:

- Michael A. Cantor, Esq.
- C. Robert Eick, Jr.
- Arlo Ellison
- L. Scott Frantz
- Laura T. Grondin
- Richard T. Mulready
- Jack Orchulli
- Gian-Carlo Peressutti

Dennis Hrabchak and Jeffrey M. Konspore also served on the Board during the audited period.

The chief executive officer (Executive Director) of the Authority is appointed by the Board. Antonio Roberto served in that capacity throughout the audit period. Ms. Marie O'Brien currently serves as the President of the Connecticut Development Authority and was appointed by the Board on September 15, 2004.

Connecticut Brownfields Redevelopment Authority:

As mentioned previously, the Connecticut Brownfields Redevelopment Authority (CBRA) is a quasi-public agency created by the Connecticut Development Authority in accordance with Section 32-11a, subsection (l), of the General Statutes. This subsidiary was created in May 1999 to carry out the remediation, development, and financing of contaminated property within the State. CDA authorized \$1,500,000 in financial resources to the CBRA in May 1999. The administrative expenses associated with the entity amounted to \$14,786 and no loans were issued during the fiscal year ended June 30, 2007.

RÉSUMÉ OF OPERATIONS:

CDA is also authorized to issue general obligation bonds for certain programs. Pursuant to Section 32-23j, subsection (a), of the General Statutes, those bonds "...shall not be deemed to constitute a debt or liability of the state..." These bonds, except for issues totaling \$30,560,000 associated with the purchase of the assets of the Hartford Whalers, are secured by special capital reserve funds. CDA is required to maintain, in these funds, a minimum balance at least equal to the greatest principal and interest payments becoming due in the succeeding calendar year. If CDA is unable to maintain a sufficient balance in the special capital reserve fund, the State's General Fund could be required to restore the special capital reserve fund to its minimum balance if the specific bond indenture calls for such State reimbursement. (No such State payment was required during the audited period.) As of June 30, 2007, CDA's bonds payable amounted to \$29,560,000.

In addition, CDA is authorized under its Self-Sustaining Bond Program to accommodate the financing for specific industrial and certain recreational and utility projects through the issuance of special obligation industrial revenue bonds. These bonds are payable solely from participating companies and are not otherwise a debt or liability of CDA or the State. Accordingly, the balances and activity of the Self-Sustaining Bond Program are not included in CDA's financial statements. Total bonds outstanding as of June 30, 2007, were \$849,802,671.

CDA maintains the following funds to account for its operations and various programs:

General Operating Fund:

CDA's operating expenses are recorded in its General Operating Fund. In addition, during the audited period the Operating Fund was used to account for CDA's operation of the Hartford Civic Center.

Based on the Authority's financial statements, operating revenue of the General Operating Fund and Hartford Civic Center totaled \$17,315,676 and \$19,801,102 for the 2005-2006 and 2006-2007 fiscal years, respectively. Operating expenses for the same periods amounted to \$20,460,450 and \$24,188,829. The Operating Fund's respective change in net assets amounted to \$(3,144,774) and \$(20,028,591) for the same periods. The Hartford Civic Center's operations account for 100 percent of the losses in both years. The 2006-2007 fiscal year loss included a restructuring charge of \$15,640,864.

Exclusive of the costs of running the Hartford Civic Center, payroll and related fringe benefits were the single largest line-item expenditure category. Payroll and related charges for the 2005-2006 and 2006-2007 fiscal years were \$3,554,500 and \$3,733,730, respectively.

Umbrella Program Fund:

Under the Umbrella Program, CDA is authorized to issue bonds to provide financial assistance for the acquisition of industrial land, buildings, new machinery, equipment and pollution control facilities. Loans up to \$800,000, with up to a 20-year term, can be made for each approved project. Of this amount, up to \$500,000 can be used for machinery and equipment (term may not exceed ten years) and up to \$800,000 can be used for pollution control facilities (term may not exceed ten years.) Loans in this program are insured under the Insurance Program (discussed below). There were no defaulted loans absorbed by the Insurance Program Fund from the Umbrella Fund during the 2006-2007 fiscal year.

Insurance Program Fund:

Authorized by Section 32-14 of the General Statutes, the Authority may insure loans made by other lending institutions to companies for the acquisition of industrial land, buildings, machinery, and equipment located within the State. In addition, all of the Authority's Umbrella Program loans are insured under this program.

As of June 30, 2006 and 2007, loans totaling \$6,901,974 and \$5,873,895, respectively, were insured as follows:

	<u>2006</u>	<u>2007</u>
Loans by other lending institutions	\$6,131,249	\$5,778,749
Umbrella Program Loans	\$770,725	\$95,146

Growth Fund:

In accordance with Section 32-23v of the General Statutes, CDA is authorized to issue individual Growth Fund loans up to a maximum of \$4,000,000 with a maximum loan term of 20 years. The program provides financial assistance for any purpose the Authority determines will materially contribute to the economic base of the State by creating or retaining jobs, promoting exports, encouraging innovation or supporting existing activities. Financing may be used to purchase real property, machinery and equipment, or for working capital.

The Authority has established a maximum 90 percent loan-to-value ratio for real property loans and 80 percent loan-to-value ratio for machinery and equipment loans. Working capital loans are limited to a term of up to seven years.

A summary of the Growth Fund’s lending activity for the last two years is as follows:

Fiscal Year Ended June 30,	Number of Entities Receiving Assistance	Assistance Provided
2006	9	\$3,018,487
2007	9	\$1,822,479

Connecticut Works Fund:

The Connecticut Works Fund, also known as “Fund A”, is established in accordance with Section 32-23ii of the General Statutes. The Fund is used for direct loans and loan guarantees. Eligible projects include most manufacturing-related projects and any project that supports the economic base of the State through jobs, defense diversification, exporting and the development of innovative products or services.

The State has authorized the issuance of up to \$95,000,000 in State bonds allocated to Fund A. Of this amount, \$85,024,992 has been distributed to Fund A. In the event direct loans are uncollectible, CDA can use any remaining bond funds to reimburse itself for such losses subject to the total allocation limit.

A summary of Fund A’s lending activity for the last two years is as follows:

Type of Assistance	Fiscal Year Ended June 30,	Number of Entities Receiving Assistance	Assistance Provided
Direct Loans	2006	5	\$4,168,236
	2007	9	\$7,100,918

Connecticut Works Guarantee Fund:

The Connecticut Works Guarantee Fund, also known as “Fund B”, is established in accordance with Section 32-261 of the General Statutes. The purpose of Fund B is to provide commitments to guarantee loans made by participating financial institutions. Projects financed by the program are intended to encourage growth and the retention of businesses unable to obtain suitable financing and to stimulate an increase in jobs and tax revenue throughout the State. Eligibility is determined by the due diligence principles set forth in the Connecticut Works Fund.

The State has authorized up to \$30,000,000 in State bonds allocated to Fund B. Of this amount, \$16,360,008 has been distributed. In the event a direct loan is uncollectible by the

participating financial institution, CDA can use any remaining bond funds to reimburse itself for such losses, up to the total allocation.

Fund B did not provide any assistance to entities during the fiscal years ended June 30, 2006 and 2007.

Connecticut Capital Access Fund:

In accordance with Section 32-265 of the General Statutes, the Connecticut Capital Access Fund provides portfolio insurance to participating financial institutions to assist them in making loans that are somewhat riskier than conventional loans. These loans are of two types, referred to as Urbank Program loans and Entrepreneurial Program loans. Project eligibility is usually determined by the financial institution making the loan, subject to requirements specified in the participant agreements.

The State has authorized the issuance of up to \$5,000,000 in State bonds allocated to this Fund. Of this amount, \$2,000,000 has been distributed. In addition, any insurance losses associated with this Fund are reimbursable from those bonds up to the \$5,000,000 allocated.

A summary of the Fund's lending activity during the last two fiscal years is as follows:

Fiscal Year Ended	Number of Entities	Assistance
<u>June 30,</u>	<u>Receiving Assistance</u>	<u>Provided</u>
2006	15	\$512,200
2007	13	\$350,150

Business Environmental Clean-Up Revolving Loan Fund:

Established in accordance with Section 32-23z of the General Statutes, this Fund provides direct loans to assist businesses in the containment or removal of property contamination. To be eligible, the business must have been established at least one year in the State, have sales of less than \$3,000,000 or less than 150 employees, and be unable to obtain conventional financing. Loan amounts cannot exceed \$200,000.

No loans were made from this fund during the audit period and there is no additional funding available for this program.

Environmental Assistance Revolving Loan Fund:

Established under Section 32-23qq of the General Statutes, CDA can use the Environmental Assistance Revolving Loan Fund to provide direct loans and guarantees to businesses to assist in financing pollution prevention activities. There has been no loan or guarantee activity since August 1996.

Job Training Fund:

This Fund was established to account for the Connecticut Job Training Finance Program authorized by Section 32-23uu of the General Statutes. Assistance under this program is provided to manufacturing or economic base businesses seeking to provide educational upgrades to their production workers. Performance grants of up to \$25,000 are available, covering up to 25 percent of the amount borrowed by each business.

Funding for this program is provided by the bond issue authorized under Sections 32-23ll and 32-235 of the General Statutes. No assistance was provided from this fund during the audit period.

Summary of Revenues, Expenses and Net Income:

Based on CDA's audited financial statements, the following is a summary of the revenues, expenses and income of the consolidated operations for the fiscal years ended June 30, 2006 and 2007:

	Fiscal Year Ended June 30,	
	<u>2006</u>	<u>2007</u>
Revenues:		
Civic Center revenues	\$14,283,812	\$14,923,539
Investment gains	342,684	10,531,793
Interest	4,196,702	3,617,414
Investment Income	1,904,378	3,035,184
Other	<u>1,310,731</u>	<u>1,730,307</u>
Total Revenues	<u>22,038,307</u>	<u>33,838,237</u>
Expenses:		
Civic Center expenses	17,428,586	19,311,266
Interest	1,032,119	919,255
Payroll and fringe benefits	3,554,500	3,733,730
Other	<u>2,101,615</u>	<u>1,548,514</u>
Total Expenses	<u>24,116,820</u>	<u>25,512,765</u>
Net Income (Loss)	<u>(\$2,078,513)</u>	<u>\$8,325,472</u>

Summary of Loan Write-Offs and Guarantee Claims Paid:

Based on data in CDA's internal financial reporting package, the following is a summary of the loan amounts written-off and guarantee payments made and the written-off loans recovered and written-off guarantees recovered for the fiscal years ended June 30, 2006 and 2007.

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Direct Loans</u> <u>Written-off</u>	<u>Guarantees</u> <u>Paid</u>	<u>Loans</u> <u>Recovered</u>	<u>Guarantees</u> <u>Recovered</u>
2006	\$2,136,412	\$135,986	\$346,244	\$47,764
2007	\$360,000	\$90,290	\$88,053	\$49,962

CONDITION OF RECORDS

Our review of the records of the Connecticut Development Authority revealed the following areas that warrant comment.

Reporting:

Criteria: Section 32-11a(c) of the General Statutes requires that the Authority prepare an annual report which includes in excess of 20 types of information, including a list of the names, addresses and locations of all recipients of such assistance.

Among other things, for each recipient of assistance, CDA is to report:

- The gross revenues during the recipient's most recent fiscal year
- A summary of the terms and conditions for the assistance, including the type and amount of state financial assistance, job creation or retention requirements, and anticipated wage rates.

For each recipient of assistance on or after July 1, 1991, CDA is to report:

- A comparison between the number of jobs to be created, the number of jobs to be retained and the average wage rates for each such category of jobs, as projected in the recipient's application, versus the actual number of jobs created, the actual number of jobs retained and the average wage rates for each such category.
- The actual number of full-time jobs and the actual number of part-time jobs in each such category and the benefit levels for each such subcategory.

Condition: In our prior audit we reported that in its annual report for the fiscal year ended June 30, 2005, CDA did not report revenue, wage rate and benefit level data separately for each recipient of assistance. In our review of the Authority's annual report for the fiscal year ended June 30, 2007, we found that the Authority did report gross revenues, benefit levels, and average wage rates separately for each recipient. However, the actual company names were not listed with that information. Instead, CDA used "Company A", "Company B", etc. when reporting the information required.

The reported summary of the terms and conditions for assistance did not include the anticipated wage rates.

- Effect:* There was noncompliance with Section 32-11a(c) of the General Statutes.
- Cause:* We were informed that the Authority thinks that it adhered to the intent of the law without violating confidentiality of recipient information.
- Recommendation:* The Authority should seek legislation to modify Section 32-11a(c) of the General Statutes or should include the required data in its annual report. (See Recommendation 1.)
- Agency Response:* “The CDA agrees with this finding. The Authority will continue to work on a legislative modification to allow the sensitive information required to be shown in the aggregate.”

Personnel Policies:

Criteria: The time and attendance records for CDA employees are maintained on the State’s Core-CT system. It is the responsibility of CDA to ensure that accurate leave records are maintained for its employees.

The Authority’s Employee Handbook requires that:

- Employees hired prior to January 1, 1998, do not accumulate more than 120 days of vacation (840 hours).
- Each employee must use all but five days of vacation earned within a calendar year, and may carry over the unused time to the next calendar year. In extraordinary circumstances, deadlines or demands, the Executive Director may increase the allowable annual carryover.

Condition: Our review of time and attendance records for 31 employees disclosed that seven employees carried over in excess of five days of vacation. After we brought the exception to the Authority’s attention, the excess carryover was approved by the Executive Director for six of the seven employees.

The vacation balances of five employees were overstated in Core-CT. Although vacation time had been entered into Core-CT, the cumulative records were not properly adjusted. This was not an error made by CDA, but a problem with Core-CT. However, CDA staff should monitor the accuracy of balances on Core-CT.

We also found that one employee accumulated more than 840 hours of vacation. This employee's vacation balance was in excess of 840 hours during seven months during the audit period.

Effect: There was noncompliance with the Authority's policies as documented in the Employee Handbook. There were also overstatements of vacation hours due to employees.

Cause: The Authority neither enforced the vacation leave policies contained in its Employee Handbook nor monitored the accuracy of leave balances in Core-CT.

Recommendation: The Authority should institute procedures to ensure that the Employee Handbook is followed or should revise the Employee Handbook to reflect current personnel practices. The Authority should also monitor vacation leave balances in the State's Core-CT system. (See Recommendation 2.)

Agency Response: "The CDA agrees with this finding. The Human Resource department monitors this and all personnel policies which are communicated to all employees on an annual basis. The department is now in the process of reviewing that all employees are currently in compliance with the Employee Handbook. The Human Resource department will also reconcile with the Core-CT system on a more frequent basis."

Affirmative Action Plan or Statement:

Criteria: The Connecticut Development Authority requires that all borrowers receiving financial assistance adopt and implement an Affirmative Action Plan prior to the closing of each loan. In addition, said Plans shall be updated annually as long as the financing to the borrowers remains outstanding.

Condition: Our review of eleven companies receiving loan payments during the 2006-2007 fiscal year revealed that three companies did not submit updated Affirmative Action Plans to CDA. CDA did request that those companies submit updated plans, but did not follow-up to ensure those Plans were received.

Effect: The Authority is not assured that companies which obtain financial assistance are implementing equal opportunities for employment if required Affirmative Action Plans or Policy Statements are not being submitted and approved.

Cause: We were informed that there is a lack of personnel to follow-up and send second requests for the Plans.

Also, there do not appear to be any consequences for companies who do not update their Affirmative Action Plans.

Recommendation: The Authority should ensure receipt of updated Affirmative Action Plans or Policy Statements. (See Recommendation 3.)

Agency Response: “The CDA agrees with the finding. All the companies referred to above have been contacted again and have been told of their reporting responsibilities and the potential loan covenant violations. CDA will strive for continuous improvement with respect to all loan covenant reporting, in particular affirmative action requirements.”

RECOMMENDATIONS

Status of Prior Audit Recommendations:

- The Authority should consider seeking legislation to modify Section 32-11a(c) of the General Statutes or should include the required data in its annual report. This recommendation is repeated in a modified manner.
- The Authority should institute procedures to ensure that the Employee Handbook is followed or should revise the Employee Handbook to reflect current personnel practices. This recommendation is repeated.
- The Authority should ensure that an Affirmative Action Plan or Policy Statement is obtained prior to the loan closing and, if required, updated prior to the expiration of the prior year's plan or statement. This recommendation is being modified and repeated.

Current Audit Recommendations:

- 1. The Authority should seek legislation to modify Section 32-11a(c) of the General Statutes or should include the required data in its annual report.**

Comment:

The Authority reported gross revenues, benefit levels, and average wage rates separately for each recipient. However, the actual company names were not listed with that information.

The reported summary of the terms and conditions for assistance did not include the anticipated wage rates.

- 2. The Authority should institute procedures to ensure that the Employee Handbook is followed or should revise the Employee Handbook to reflect current personnel practices. The Authority should also monitor vacation leave balances in the State's Core-CT system.**

Comment:

Our review of time and attendance records disclosed that employees carried over in excess of five days of vacation.

We found that the vacation balances of five employees were overstated in Core-CT. Although this was not an error made by CDA, but a problem with Core-CT, CDA staff should monitor the accuracy of balances on Core-CT.

We also found that one employee had in excess of 840 hours of vacation during seven months of the audit period.

- 3. The Authority should ensure receipt of updated Affirmative Action Plans or Policy Statements.**

Comment:

Our review revealed that three companies did not submit updated Affirmative Action Plans to CDA. CDA did request that those companies submit updated plans, but did not follow-up to ensure those plans were received.

INDEPENDENT AUDITORS' CERTIFICATION

As required by Section 2-90 and Section 1-122 of the General Statutes, we have conducted an audit of the Connecticut Development Authority's activities for the fiscal year ended June 30, 2007. This audit was primarily limited to performing tests of the Authority's compliance with certain provisions of laws, regulations, contracts and grant agreements, including but not limited to a determination of whether the Authority has complied with its regulations concerning affirmative action, personnel practices, the purchase of goods and services, the use of surplus funds and the distribution of loans, grant agreements and other financial resources, and to understanding and evaluating the effectiveness of the Authority's internal control policies and procedures for ensuring that the provisions of certain laws, regulations, contracts and grant agreements applicable to the Authority are complied with. The financial statement audit of the Connecticut Development Authority, for the fiscal year indicated above, was conducted by the Authority's independent public accountants.

We conducted our audit in accordance with the requirements of Section 2-90 and Section 1-122 of the General Statutes. In doing so, we planned and performed the audit to obtain reasonable assurance about whether the Connecticut Development Authority complied in all material respects with the provisions of certain laws, regulations, contracts and grant agreements and to obtain a sufficient understanding of internal control to plan the audit and determine the nature, timing and extent of tests to be performed during the conduct of the audit.

Internal Control over Financial Operations and Compliance:

In planning and performing our audit, we considered the Connecticut Development Authority's internal control over its financial operations and its compliance with requirements as a basis for designing our auditing procedures for the purpose of evaluating the Authority's financial operations and compliance with certain provisions of laws, regulations, contracts and grant agreements, but not for the purpose of providing assurance on the effectiveness of the Authority's internal control over those control objectives. Our consideration of internal control included, but was not limited to, the following areas:

- Affirmative action
- Personnel practices
- Purchase of goods and services
- Use of surplus funds
- Distribution of loans, grants and other financial resources.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect on a timely basis unauthorized, illegal, or irregular transactions. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to properly initiate, authorize, record, process, or report financial data reliably consistent with management's direction, and/or comply with certain provisions of laws, regulations, contracts, and grant agreements such that there is more than a remote likelihood that noncompliance with laws, regulations, contracts and grant agreements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that noncompliance which could result in significant unauthorized, illegal, irregular or unsafe transactions and/or material noncompliance with certain provisions of laws, regulations, contracts, and grant agreements that would be material in relation to the Authority's financial operations will not be prevented or detected by the Authority's internal control.

Our consideration of the internal control over the Authority's financial operations, and compliance with requirements would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over the Authority's financial operations and compliance with requirements that we consider to be material weaknesses, as defined above.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the Connecticut Development Authority complied with laws, regulations, contracts and grant agreements, noncompliance with which could result in significant unauthorized, illegal, irregular or unsafe transactions or could have a direct and material effect on the results of the Authority's financial operations for the fiscal year ended June 30, 2007, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including but not limited to the following areas:

- Affirmative action
- Personnel practices
- Purchase of goods and services
- Use of surplus funds
- Distribution of loans, grants and other financial resources.

Our examination included reviewing all or a representative sample of the Authority's activities in those areas and performing such other procedures as we considered necessary in the circumstances.

The results of our tests disclosed no material or significant instances of noncompliance. However, we noted certain matters which we reported to Authority management in the accompanying "Condition of Records" and "Recommendations" sections of this report.

The Connecticut Development Authority's responses to the findings identified in our audit are described in the accompanying "Condition of Records" section of this report. We did not audit the Authority's response and, accordingly, we express no opinion on it.

This report is intended for the information of the Governor, the State Comptroller, the Appropriations Committee of the General Assembly and the Legislative Committee on Program Review and Investigations. However, this report is a matter of public record and its distribution is not limited. Users of this report should be aware that our audit does not provide a legal determination of the Authority's compliance with the provisions of the laws, regulations, contracts and grant agreements included within the scope of this audit.

CONCLUSION

We wish to express our appreciation for the cooperation and courtesies extended to our representatives by the personnel of the Connecticut Development Authority during this examination.

Elaine C. O'Reilly
Principal Auditor

Approved:

Kevin P. Johnston
Auditor of Public Accounts

Robert G. Jaekle
Auditor of Public Accounts