



What's next starts here.

June 25, 2014

Ms. Evelyn Arnold
Office of Fiscal Analysis
Legislative Office Building, Room 5200
Hartford, CT 06106-1591

Dear Evelyn,

Please find enclosed the Connecticut Innovations, Incorporated personnel status report and financial results for the Quarter ended March 31, 2014.

Please feel free to contact me at Connecticut Innovations at (860) 258-7865 or by E-mail at hil.scott@ctinnovations.com if you have any further questions or need any additional information.

Sincerely,

A handwritten signature in blue ink that reads 'Hil Scott' with a long, sweeping horizontal line extending to the right.

Hil Scott

Controller

Connecticut Innovations, Inc.

CONNECTICUT INNOVATIONS
QUARTERLY PERSONNEL STATUS REPORT
JANUARY 1, 2014 – MARCH 31, 2014
FOR THE OFFICE OF FISCAL ANALYSIS
AS REQUIRED BY PUBLIC ACT 10-143

(1) The total number of employees by the end of the quarter;

69 Employees

(2) the positions vacated and the positions filled by the end of the quarter;

Two (2) positions filled

(3) the positions estimated to be vacant and the positions estimated to be filled at the end of the fiscal year.

Estimated Vacant Positions 0, Estimated Filled Positions 71

House Bill No. 5392

Public Act No. 10-143

AN ACT CONCERNING NONAPPROPRIATED FUNDS AND PERSONNEL STATUS REPORTS BY QUASI-PUBLIC AGENCIES.

(c) For the quarter commencing July 1, 2010, and for each quarter thereafter, the board of directors of each quasi-public agency shall submit a personnel status report to the Office of Fiscal Analysis. Such report shall include, but not be limited to: (1) The total number of employees by the end of the quarter; (2) the positions vacated and the positions filled by the end of the quarter; and (3) the positions estimated to be vacant and the positions estimated to be filled at the end of the fiscal year.

Approved June 8, 2010

CONNECTICUT INNOVATIONS

MARCH 31, 2014 RESULTS / FULL YEAR 2014 FORECAST / 2015 OPERATING BUDGET / FY2016 & FY2017 PROJECTIONS

LINE ITEMS	9 MONTHS ACTUAL 3/31/2014	FY2014 FULL YEAR BUDGET	FY2014 FULL YEAR FORECAST	FY2015 FULL YEAR BUDGET	FY2016 FULL YEAR PROJECTION	FY2017 FULL YEAR PROJECTION
<u>OPERATING REVENUES</u>						
Interest Income	2,022,061	2,407,801	2,747,561	2,688,658	3,067,935	3,487,983
Investment Income	1,259,140	384,680	1,398,464	1,523,750	1,600,000	1,650,000
Loan Fee Income	1,004,681	1,180,032	1,163,593	1,086,895	1,125,000	1,165,000
Miscellaneous Income	1,289,816	1,057,000	2,311,000	1,690,000	1,635,000	935,000
Total Operating Revenues	5,575,698	5,029,513	7,620,618	6,989,303	7,427,935	7,237,983
<u>OPERATING EXPENSES</u>						
<u>Compensation:</u>						
Salaries - Direct	4,026,248	5,708,203	5,576,332	7,018,778	7,229,341	7,446,222
Salaries - Indirect	639,141	906,141	885,208	508,761	524,024	539,745
Fringe Benefits	3,727,458	5,136,700	5,363,078	6,247,858	6,435,294	6,628,353
JAX / CEFA / DECD Reimbursement	(633,486)	(1,035,086)	(1,130,946)	(1,097,681)	(1,130,611)	(1,164,530)
Net Compensation	7,759,361	10,715,958	10,693,672	12,677,716	13,058,047	13,449,789
<u>Professional Fees:</u>						
Legal	230,902	275,000	280,000	415,000	250,000	250,000
Accounting Expense	57,720	70,000	76,000	165,000	170,000	175,000
Consulting	871,754	1,010,000	980,000	1,885,000	1,500,000	1,425,000
<u>Marketing:</u>						
Marketing	538,350	642,480	651,498	1,033,800	900,000	800,000
<u>Office expense:</u>						
Rent Expense	322,031	442,468	439,180	449,020	400,175	393,990
Depreciation	133,980	183,232	178,634	347,500	372,500	165,000
Insurance Expense	62,079	137,390	85,000	103,672	108,856	114,298
Office Expenses and Other	671,211	980,280	905,730	1,005,916	900,000	850,000
Total Operating expenses	10,647,388	14,456,808	14,289,714	18,082,624	17,659,578	17,623,077
Operating (Loss)	(5,071,690)	(9,427,295)	(6,669,096)	(11,093,321)	(10,231,643)	(10,385,094)
<u>PROGRAM ACTIVITY</u>						
<u>CT NEXT / SBI</u>						
Various Grant Income	484,829	867,700	570,000	375,000	325,000	275,000
Program Expenses - Traditional CT NEXT	(3,056,277)	(4,525,000)	(4,619,000)	(3,581,356)	(2,500,000)	(1,500,000)
Program Expenses - Traditional SBI	(1,592,091)	(4,512,800)	(2,529,720)	(3,835,000)	(4,000,000)	(4,000,000)
Net CT NEXT / SBI	(4,163,539)	(8,170,100)	(6,578,720)	(7,041,356)	(6,175,000)	(5,225,000)
<u>INVESTMENT AND LOAN ACTIVITY</u>						
Unrealized Loss on Investments	2,974,658	-	(324,993)	-	-	-
Realized Loss on Investments	726,238	-	(3,070,061)	6,000,000	8,000,000	10,000,000
Loss Expense	(787,450)	(1,050,000)	(1,950,000)	(1,200,000)	(1,250,000)	(1,275,000)
Total Investment and Loan Activity	2,913,446	(1,050,000)	(5,345,054)	4,800,000	6,750,000	8,725,000
Change in Net Assets, Grand Total	(6,321,783)	(18,647,395)	(18,592,870)	(13,334,677)	(9,656,643)	(6,885,094)

CONNECTICUT INNOVATIONS
CONSOLIDATED OPERATIONS

BALANCE SHEETS: MARCH 31, 2014, FORECASTED JULY 1, 2014, BUDGETED JUNE 30, 2015, PROJECTED JUNE 30, 2016 & 2017
(IN THOUSAND'S)

	BALANCE SHEET 3/31/2014	PROJECTED BALANCE SHEET 6/30/2014	BUDGETED BALANCE SHEET 6/30/2015	PROJECTED BALANCE SHEET 6/30/2016	PROJECTED BALANCE SHEET 6/30/2017
ASSETS					
Unrestricted cash and cash equivalents	37,144	28,977	41,684	56,059	28,684
Other current assets, excluding current portion of loans and investments	2,010	2,500	2,300	2,100	2,100
Restricted cash and cash equivalents	25,150	26,484	25,575	21,725	17,850
Portfolio investments	80,355	78,822	97,822	115,822	133,822
Loans, less allowances for loan losses	70,869 (9,870)	70,091 (8,284)	76,628 (9,184)	84,574 (10,134)	92,858 (11,109)
Net loans	60,999	61,807	67,444	74,440	81,749
Capital assets, net	393	335	567	295	180
TOTAL ASSETS	206,051	198,925	235,392	270,441	264,385
LIABILITIES AND NET ASSETS					
LIABILITIES					
Escrow deposits	8,329	9,689	9,739	9,789	9,839
Accrued expenses and liabilities	7,906	5,272	8,272	4,522	772
Bonds Payable	5,020	5,020	2,760	2,260	1,735
Small Business Initiative Capital	4,093	4,075	4,025	3,925	3,800
Deferred revenue	465	425	275	125	100
Reserve for guarantee losses	773	810	1,110	1,410	1,710
Total liabilities	26,586	25,291	26,181	22,031	17,956
Total net assets	179,465	173,634	209,211	248,410	246,429
TOTAL LIABILITIES AND NET ASSETS	206,051	198,925	235,392	270,441	264,385

CONNECTICUT INNOVATIONS, INC.
MARCH 31, 2014 CASH FLOW WITH JUNE 30, 2014 FORECAST; FY2015 BUDGET; 2016-2017 PROJECTED
(IN THOUSAND'S)

	9 MONTH PERIOD THRU 3/31/2014	FORECASTED TOTAL FY 6/30/2014	BUDGETED TOTAL FYE 6/30/2015	PROJECTED TOTAL FYE 6/30/2016	PROJECTED TOTAL FYE 6/30/2017
Cash, Beginning of Period	43,338	43,338	28,977	41,684	56,059
SOURCES OF CASH:					
Proceeds from Divestitures	3,321	4,488	12,000	15,000	18,000
Cash from Operations	4,317	6,697	5,889	6,328	6,137
Principal Collected	6,180	8,307	7,492	7,054	7,716
TOTAL SOURCES OF CASH:	13,818	19,492	25,381	28,382	31,853
USES OF CASH:					
EQUITY AND LENDING ACTIVITY:					
New Investments	(1,850)	(3,350)	(8,500)	(8,500)	(8,500)
Follow-on Fundings	(10,112)	(13,213)	(13,500)	(13,500)	(13,500)
Pre-Seed / Tech Start	(2,401)	(2,885)	(3,000)	(3,000)	(3,000)
Loans Funded	(14,829)	(18,856)	(14,000)	(15,000)	(16,000)
TOTAL: Equity & Lending	(29,192)	(38,304)	(39,000)	(40,000)	(41,000)
PROGRAM ACTIVITY:					
Traditional CT Next	(2,456)	(2,919)	(3,581)	(2,500)	(1,500)
Traditional SBI	(1,774)	(2,209)	(3,460)	(3,675)	(3,725)
TOTAL: Program Activity	(4,230)	(5,128)	(7,041)	(6,175)	(5,225)
OPERATIONS: (cash basis)					
Salaries (Gross all employees)	(4,665)	(6,461)	(7,528)	(7,754)	(7,986)
State Charge for Fringe Benefits	(3,727)	(5,363)	(6,248)	(6,436)	(6,629)
Allocations for services: CEFIA / JAX / DECD	633	1,131	1,098	1,131	1,165
General & Admin	(2,776)	(3,063)	(4,838)	(4,129)	(3,908)
Debt Service, Principal	(2,250)	(2,815)	(494)	(518)	(546)
Debt Service, Interest	(313)	(358)	(152)	(126)	(99)
Special Capital Reserve Maturity	3,008	3,008	1,529	-	-
TOTAL: Operating Expenses	(10,090)	(13,921)	(16,633)	(17,832)	(18,003)
TOTAL USES OF CASH:	(43,512)	(57,353)	(62,674)	(64,007)	(64,228)
TOTAL INC/ (DEC) IN CASH	(29,694)	(37,861)	(37,293)	(35,625)	(32,375)
Cash, End of Period	13,644	5,477	(8,316)	6,059	23,684
Bond Drawdowns:					
Bonding - Received to date	23,500	23,500	-	-	-
Bonding - Requested / expected to be drawn	-	-	50,000	50,000	5,000
Cash, End of Period	37,144	28,977	41,684	56,059	28,684